FRANCHISE DISCLOSURE DOCUMENT

SHAWARMA STACKZ LLC
a California limited liability company
9119 Clairemont Mesa Blvd, Suite G
San Diego, California 92123
(858) 208-8407
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Shawarma Stackz LLC ("we," "us," or "our") offers for sale a franchise to establish and operate a distinctive quick-service restaurant offering authentic Middle Eastern cuisine and other cuisine, all made from scratch, under the trade name "Shawarma Stackz".

The total investment necessary to begin operation of a Shawarma Stackz Restaurant franchise ranges from $690,000 to $1,225,000. This includes $30,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Shawarma Stackz Restaurant franchise pursuant to an Area Development Agreement, which requires development of a minimum of three (3) Shawarma Stackz Restaurants, ranges from $735,000 to $1,270,000. This amount includes $75,000 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 the 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 payments to the Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Osama Shabaik, at Shawarma Stackz LLC, 9119 Clairemont Mesa Blvd, Suite G, San Diego, California 92123, and at (858) 208-8407.

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 accountant.

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

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

Issuance Date: April 14, 2022.

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 H and I.
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 C 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 SHAWARMA STACKZ 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 SHAWARMA STACKZ franchisee?	Item 20 or Exhibits H and I 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 and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. 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 California 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 right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

4. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

TABLE OF CONTENTS

ITEM 1 THE FRANCHISOR, ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, words such as "we," "us," "our," "Franchisor" or "Shawarma Stackz" refer to Shawarma Stackz LLC, the franchisor. Words such as "you," "your" and "Franchisee" refer to the purchaser of a Shawarma Stackz Restaurant franchise.

Franchisor, Parent, and Affiliates

We are a California limited liability company that was formed on August 29, 2019. We conduct business exclusively under the name "Shawarma Stackz." Our principal business address is 9119 Clairemont Mesa Blvd, Suite G, San Diego, California 92123. Our telephone number is (858) 208-8407. We began offering franchises for Shawarma Stackz Restaurants on December 16, 2019. We do not operate a business of the type we franchise. We have never offered franchises in any other line of business. We do not conduct business under any other name.

Our parent, Tahini, LLC, ("Licensor") is a California limited liability company formed on March 15, 2016. Licensor is the owner of the "Shawarma Stackz" trade name, trademarks, service marks, logos and other and related trade dress (the "Marks") and licenses the Marks to us pursuant to a license agreement. It shares our principal business address at 9119 Clairemont Mesa Blvd, Suite G, San Diego, California 92123. Licensor currently owns and operates a restaurant under the trade name "Tahini," which is similar to the franchise you will own and operate. The Tahini restaurant was first opened in November 2013 by the owners of Licensor. Licensor may open additional "Tahini" brand restaurants in the future. Licensor has never offered franchises in any line of business.

We have no affiliates or predecessors.

Agent for Service of Process

Our agents for service of process are disclosed in **Exhibit A.**

The Business We Offer

We offer franchise opportunities to establish and operate distinctive quick-service restaurants that offer authentic Middle Eastern cuisine and other cuisine, all made from scratch ("Shawarma Stackz Restaurants") under the terms of a franchise agreement attached as **Exhibit B** (the "Franchise Agreement"). Shawarma Stackz Restaurants are typically 2,000 to 2,500 square feet and usually located in a shopping center or a free-standing building.

The Franchise Agreement authorizes you to use the Marks in connection with your operation of a Shawarma Stackz Restaurant and permits you to operate the restaurant under a format and system specified by us (the "System"). The distinguishing characteristics of the System include, without limitation, uniform and distinctive building designs, interior and exterior layout and trade dress; business methods; technical knowledge; standards and specifications for equipment, equipment layouts, supplies and menus (including food and beverage designations, food presentation, special recipes, and quality and quantity standards); operating procedures for sanitation, maintenance and food and beverage storage, preparation and service; and methods and techniques for inventory and cost controls, recordkeeping and reporting, training, purchasing, sales, promotion and advertising. The System's standards, specifications and procedures are described in our confidential operations manuals (collectively, the "Manual"). The System and the Manual may be changed, improved and further developed by us. Other material aspects of the franchise are described in this Disclosure Document and its exhibits, including the Franchise Agreement, which will govern the relationship between you and us.

The franchise generally described in this disclosure document is a license to establish and operate a single Shawarma Stackz Restaurant (the "Restaurant") under the terms of the Franchise Agreement. The Franchise Agreement is signed by us, by you, and by those of your principals whom we designate as the principal franchisee-operator(s) (the "Operating Partner(s)") of the Restaurant. The Operating Partner(s) (there may be up to two such individuals but only one address to which we communicate to regarding the franchise) named has the authority to act for you in all matters relating to the Shawarma Stackz Restaurant, including voting responsibilities. By signing the Franchise Agreement, you and the Operating Partner(s) agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement. Depending on the type of business activities, which must be fully disclosed prior to signing this document, in which you or your Operating Partner(s) may be involved, we may require you or your Operating Partner(s) to sign additional confidentiality and non-competition agreements.

In addition to offering franchises for individual Shawarma Stackz Restaurants, we offer the right to develop and operate a minimum of three (3) Shawarma Stackz Restaurants under the form of an area development agreement attached as **Exhibit J** (the "Area Development Agreement"). The development schedule included in the Area Development Agreement (the "Development Schedule") will specify the dates by which you must open each Shawarma Stackz Restaurant. For each Shawarma Stackz Restaurant you develop under an Area Development Agreement, you will sign a then-current Franchise Agreement, which may differ from the current Franchise Agreement included with this Disclosure Document. The number of Shawarma Stackz Restaurants, the development area and schedule must be agreed upon by us prior to execution of the Area Development Agreement. Before the execution of each Franchise Agreement, we will deliver to you a Disclosure Document describing the terms of our then-current Franchise Agreement and provide you with other relevant information.

Market and Competition

The markets for quick-service restaurants are fully developed, highly competitive and growing each year and include all types of cuisine. You will compete in the quick-service food business with various established independent local restaurants and regional or national chain outlets offering Middle Eastern style foods, as well as with other quick-service and casual-dining restaurants offering other products, both fast take-out service and full service, and catering services. Typically, quick-service restaurant businesses operate year-round, so sales are not seasonal.

Applicable Regulations

You must comply with federal, state, and local health and environmental safety regulations concerning the proper handling, cooking and serving of food products. These regulations may include menu labeling laws, laws relating to the storage of food, use of appropriate cooking temperatures, and laws which effect how you train and supervise your staff. You must also comply with all applicable federal and state employment laws, as well as building code laws which may affect how your unit looks, what signs you may display, and the amount and type of parking, drive-thru or hours of operation that you may keep. California and other states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of the Restaurant, including those which (a) establish general standards, specifications and requirements for the construction, design and maintenance of the Authorized Location; (b) 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; restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness, (e) govern the use of vending machines, (f) control the sale of alcoholic beverages; and (g) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials.

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

The Health Care Reform Bills that became law in March 2010 contain provisions that require disclosure of nutrition and calorie information in chains of more than 20 restaurants. California law requires each food facility that meets specified criteria (which cover franchised outlets with at least 19 other franchised outlets with the same name among certain other food facilities) to provide nutritional information that includes, per standard menu item, the total number of calories, grams of saturated fat, grams of trans fat, and milligrams of sodium and to have menu boards to include the total number of calories. Other states and cities may have laws similar to these laws. You should consult with your attorney concerning these and other local laws and ordinances that may affect the Restaurant. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating the Restaurant and should consider both their effect and cost of compliance.

The Payment Card Industry Data Security Standard ("PCI DSS") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI DSS applies to all merchants, regardless of size or number of transactions that accept, transmit or store any cardholder data.

ITEM 2 BUSINESS EXPERIENCE

<u>Co-Founder, Managing Member and CEO: Osama Shabaik</u>

Mr. Shabaik is our co-founder and has served as one of our Managing Members since our inception. He has been our Chief Executive Officer since October 2019. He is also the co-founder and a Managing Member of our parent Tahini, LLC, and has held that position since its formation in March 2016. He has been the co-owner and co-operator of the Tahini restaurant, currently owned by Tahini, LLC, since the restaurant's opening in November 2013. All positions listed above for Mr. Shabaik are located in San Diego, California.

<u>Co-Founder, Managing Member and COO: Mahmoud Barkawi</u>

Mr. Barkawi is our co-founder and has served as one of our Managing Members since our inception. He has been our Chief Operating Officer since August 2019. He is also the co-founder and a Managing Member of our parent Tahini, LLC, and has held that position since its formation in March 2016. He has been the co-owner and co-operator of the Tahini restaurant, currently owned by Tahini, LLC, since the restaurant's opening in November 2013. From October 2014 to May 2017, Mr. Barkawi worked in sales for AT&T. All positions listed above for Mr. Barkawi are located in San Diego, California.

ITEM 3 LITIGATION

__Pending Actions__:

__Shawarma Stackz LLC v. Sam Jawad__. On September 9, 2020, we filed a Complaint and Demand for Arbitration with the American Arbitration Association (Case No. 01-20-0014-8096) against a former Shawarma Stackz franchisee, Sam Jawad ("Jawad"), for breach of contract as a result of Jawad's failure to pay royalties and other costs in accordance with the terms of the Franchise Agreement, along with Jawad's unauthorized transfer of the franchise and all associated Confidential Information to a third party. We began arbitration on September 24, 2020. On November 4, 2020, we received an Interim Award on our Emergency Motion for Preliminary Injunctive Relief. We were granted a Preliminary Injunction against Jawad ordering him to stop using all Confidential Information and to take steps to ensure compliance with such Order from all associated third parties. On December 1, 2020, we received a second Interim Award granting us reasonable attorneys' fees and costs in the amount of $26,003 to be paid by Jawad. We were granted a third Interim Award on January 8, 2021, citing Jawad for contempt of violating the Preliminary Injunction, expediting discovery, and awarding us attorneys' fees and costs in the amount of $9,673.50 to be paid by Jawad. While the matter was still in arbitration, Jawad filed for bankruptcy on January 6, 2021, which put an automatic stay on all legal proceedings against him.

__Shawarma Stackz LLC v. Jay Jwad, et al__. On July 14, 2021, in the United States District Court for the Southern District of California (Case No. 21-cv-01263-BAS-BGS), we filed a trademark action against Jay Jwad and his business entity Vision Global Entertainment Corp. ("Defendants") alleging unfair business practices, unfair competition, conversion, and intentional interference with contractual relations. Jay Jwad is the brother of a former Shawarma Stackz franchisee, Sam Jawad, and is now operating his brother's former franchised Restaurant located in Miami, Florida. On August 18, 2021, we filed a Motion for Preliminary Injunction seeking to bar the Defendants from (1) operating the Restaurant in Miami; (2) using "Shawarma Stackz", "The Shawarma Stackz House", or any confusingly similar name, in connection with the operation of any restaurant; (3) possessing or making use of any our proprietary and/or confidential materials; and (4) taking any action that would constitute a breach of the Franchise Agreement. On December 8, 2021, the Court granted our Motion, and Defendants were ordered to cease operations and close the restaurant. On December 31, 2021, Defendants filed an appeal to the preliminary injunction. On January 7, 2022, the Court denied Defendants' motion to stop the enforcement of the Preliminary Injunction Order. In an attempt to evade the Order, Defendants rebranded the restaurant as "ICON Mediterranean" but continued to use the Shawarma Stackz methods, recipes, etc. On January 24, 2022, we began mediation with the Defendants using a Federal Circuit Mediator appointed by the Court and are hoping to settle the matter in the near future.

Other than the above two actions, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Franchise Agreement

__Initial Franchise Fee__. You must pay us a lump sum, initial franchise fee (the "Initial Franchise Fee") in the amount of $30,000 to establish a single Shawarma Stackz Restaurant under a Franchise Agreement.

The Initial Franchise Fee is payable upon execution of the Franchise Agreement in the form of a cashier's check or wire transfer. The Initial Franchise Fee is fully earned by us when paid and is not refundable, in whole or in part, under any circumstances.

Area Development Agreement

Development Fee. If you wish to reserve a protected territory in which to develop three (3) or more Shawarma Stackz Restaurants, you will sign an Area Development Agreement with us. You will pay us a fee ("Development Fee") in an amount equal to $25,000 multiplied by the number of Shawarma Stackz Restaurants to be developed under the terms of the Area Development Agreement. Upon the signing of the Area Development Agreement, you will pay a portion of the Development Fee, in the form of a cashier's check or wire transfer, in an amount equal to $15,000 multiplied by the number of Shawarma Stackz Restaurants to be developed under the Area Development Agreement. You will pay the remaining $10,000 due for each Restaurant when you sign the Franchise Agreement for each such Restaurant.

The Initial Franchise Fee will be reduced to $25,000 for each Restaurant you develop under an Area Development Agreement. Each time you sign a Franchise Agreement for a Shawarma Stackz Restaurant developed under an Area Development Agreement, we will credit the amount paid for the Restaurant, as part of the Development Fee, against the Initial Franchise Fee due for such Restaurant.

The Development Fee is fully earned by us when paid and is not refundable for the reason that, upon the signing of the Area Development Agreement, we will hold a designated territory ("Designated Territory") for you and will not establish or license another to establish a Shawarma Stackz Restaurant or a "Tahini" brand restaurant in the Designated Territory until you have established and opened all the Shawarma Stackz Restaurants as agreed in the Area Development Agreement.

ITEM 6 OTHER FEES

Franchise Agreement

Type of Fee [1]	Amount	Due Date	Remarks
Continuing Royalty Fee[2]	6% of Gross Sales.[3]	Payable biweekly (i.e., every 2 weeks) on Wednesday by electronic transfer.[5]	If any state imposes sales or other taxes on the royalty fees, then we have the right to collect this tax from you.
Marketing Fund Contribution[4]	Currently, 2% of Gross Sales.[3]	Payable biweekly (i.e., every 2 weeks) on Wednesday by electronic transfer.[5]	Your Marketing Fund Contributions will begin from the date the Restaurant first opens for business.
Local Marketing/ Advertising Expenses[6]	1% of Gross Sales.[3]	Biweekly (i.e., every 2 weeks.)	You must spend at least this amount on local advertising and promotion of the Restaurant biweekly. Currently, we allow you to deduct the amount you spend on Local Marketing/Advertising Expenses from your required Marketing Fund Contribution.

Type of Fee [1]	Amount	Due Date	Remarks
Advertising Cooperative Fees [7]	Not yet established.	(Note 7)	(Note 7)
Gift Card Sales	Face value of the gift card.	Biweekly (i.e., every 2 weeks.)	All gift card sale revenues and redemptions are reconciled biweekly. [5]
Interest and Late Payment Charge [8]	The lesser of 1.5% per month or the highest rate of interest allowed by law.	Upon demand.	Applies to all amounts not paid when due, until paid in full. We may also require you to pay an administrative fee of $100 for each late payment or late report.
Audit Fees [9]	Cost of Audit	Upon demand.	Payable only if audit shows an understatement of 2% or more.
Renewal Fee	$10,000	At time of renewal.	Your ability to renew your franchise is subject to the terms and conditions of your Franchise Agreement.
Transfer Fee[10]	Varies depending on type of transfer. 20% or 50% of the then-current Initial Franchise Fee, or $2,500	On submitting an application for consent to assignment.	Payable when you want to sell your franchise. This fee is not refundable.
Additional Training[11]	$3,000 per trainee.	On demand.	See Item 11 for more detailed information on training.
Refresher Training "Daily Training Fee"[12]	$400 daily, per trainer.	Prior to training.	Additionally, you must pay for your employee's compensation (if applicable), and any travel and living expenses you (and your employees) incur to attend the training at our headquarters. If we travel to your location, you must pay our reasonable and customary business travel expenses.
Support Fee [13]	10% of Gross Sales during the time period support provided, plus travel and living expenses	On demand.	Payable if you fail to have a trained Operating Partner and we take over management of the Restaurant until a successor is trained.
Indemnification [14]	Reimbursement of damages and losses.	On demand.	You are obligated to indemnify us for all damages or losses we incur as a result of the operation of the Restaurant.

Type of Fee [1]	Amount	Due Date	Remarks
Cost of Enforcement or Defense	All costs including attorneys' fees.	Upon settlement or conclusion of claim or action.	You will reimburse us for all costs in enforcing our obligations concerning the Franchise Agreement if we prevail.
Insurance Reimbursement	Amount of unpaid premium.	Must have the policies within 60 calendar days after signing the Franchise Agreement, but no later than the time that you acquire an interest in the real property from which you will operate the Restaurant.	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Alternative Supplier Approval Fee[15]	The lesser of actual costs or $1,000 per each inquiry.	At time of request.	Additionally, you must reimburse us for any travel, accommodations, and meal expenses.
Restaurant Upgrades and Ongoing Maintenance Costs[16]	$500 - $50,000	At time of modification.	You will make these expenditures as we require to comply with modifications, improvements, and/or upgrades, such as painting, graphics, equipment or fixture repair and on-going maintenance depending on the wear and tear of the Restaurant and in accordance with the System. Payable to suppliers.
Prohibited Product or Service Fine	$500 per day	As incurred.	We can charge you this fine for each day you use unauthorized products and services.
Toast POS Software[17]	Approximately $500	Monthly	We impose this fee, but you will pay this fee directly to the third-party approved supplier. The amount may vary depending on add-ons you select.
Compeat Accounting/ Management Software[18]	Approximately $2,000	Quarterly	We impose this fee, but you will pay this fee directly to the third-party approved supplier. The amount may vary depending on add-ons you select.

Notes to Chart:

Note 1: All fees are imposed by and payable to us, unless otherwise noted. All fees are uniformly imposed and non-refundable, unless otherwise stated. You must participate in our electronic reporting and funds transfer programs, which (among other things) authorizes us to utilize a pre-authorized bank draft system. No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any third party. Fees payable to third parties may be refundable based on your individual arrangements.

Note 2: Upon our request, you will send us a biweekly report showing the computation of your Continuing Royalty Fee and all other fees and amounts payable under your Franchise Agreement using our forms. We may access or "poll" by telephone, Internet or other technology, remotely or on-site your computer system and business records to collect information and to verify your Gross Sales (as defined below in Note 4) and all fees payable under your Franchise Agreement.

Note 3: "Gross Sales" means the total actual gross charges for all products and services sold to customers of the Restaurant, for cash or credit, whether such sales are made at or from the premises of the Restaurant, or any other location or channel of distribution if approved by us, but excluding: (1) sales, use, service or excise taxes collected from customers and paid to the appropriate taxing authority; and (2) customer refunds and adjustments.

Note 4: You will pay us a Marketing Fund Contribution equal to 2% of your Gross Sales (as defined below in Note 3) biweekly, based on Gross Sales for the preceding two (2) calendar-week period, during the term of your Franchise Agreement. At our sole discretion, and upon thirty (30) days' notice to you, the Marketing Fund Contribution may be increased or decreased, although no increase will require you to contribute more than 4% of your Gross Sales.

Note 5: You must sign the forms and complete our reasonable procedure to establish a bank draft or electronic transfer arrangement so we can present a draft to your bank or other financial institution for the Continuing Royalty Fees, Marketing Fund Fee, and all other fees or payments currently due us. You must sign Exhibit FA-2 of your Franchise Agreement titled "Electronic Funds Transfer Agreement" (or other form we provide to you) when you sign your Franchise Agreement. Before you start your Initial Training program, you will complete, sign and return any other form like the "Electronic Debit Authorization Agreement," which is attached to your Franchise Agreement as Exhibit FA-3, authorizing an electronic debit, and to give us any information that we need for this authorization.

If we establish a Gift Card Program, you will report biweekly (i.e., every 2 weeks) to us the totals for all gift card "sales" and remit to us the total proceeds from gift card "sales," as well as report to us biweekly all "redemptions" transactions for gift cards presented by your customers, and we will reconcile your account and credit you for the full value of all gift card transactions redeemed by you biweekly regardless of the Shawarma Stackz Restaurant that issued each gift card.

Biweekly (i.e., every two weeks) on Wednesday, at noon, we will draft your Continuing Royalty Fee, Marketing Fund Fee and any other amounts you owe us directly by electronic funds transfer or otherwise from your bank account based on Gross Sales for the preceding two (2) calendar-week period (the "Accounting Period"). Each calendar week will commence Monday at 12:01 AM and will end at midnight the following Sunday. At least quarterly, we will provide you with an adjustment for any over or under payment of fees that you paid during the prior period. You will install at your expense and use any pre-authorized payment and computerized point of sales systems, credit verification systems, automatic payment systems, electronic funds transfer systems, or automatic banking system that we may require to fulfill any business purpose reasonably related to the operation of your franchise and the franchise system or to permit you to make all required payments to us by automatic bank transfer. You must maintain account balances sufficient to make all payments due us by electronic transfer. You must reimburse us for any charges incurred by us if there are insufficient funds in your account to pay a fee. Any insufficiency in your account to pay us the required fees will be considered a default under your Franchise Agreement.

You must submit to us by 5:00 PM (Pacific Time) on the Tuesday following the end of each Accounting Period, a report in the form specified by us that includes Gross Sales figures for the immediately preceding Accounting Period. If we do not timely receive this report, or are unable, for any reason whatsoever, to poll your POS computer system to determine your biweekly Gross Sales, then we are authorized to estimate these fees and to draft (withdraw) by electronic transfer an amount from your bank account for the Continuing Royalty Fee and the Marketing Fund fee with respect to the prior Accounting Period equal to the amount withdrawn for the most recent previously reported Accounting Period, plus an additional 10% (as an estimate of the Accounting Period's Continuing Royalty Fee and the Marketing Fund Contribution.)

If you pay, or we receive, a lesser amount than the full amount due us, we have the right to apply the payment against the longest outstanding amount due us. We can accept any check or payment in any amount without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No restrictive endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere from you will be an accord or satisfaction or will bind us. Our acceptance of any payments made by you are not a waiver of any breach or default of any provision in your Franchise Agreement.

Despite any designation by you, we can apply any payments made by you, or on your behalf (and apply any amounts owed to you or any of your affiliates by us) to any of your past due indebtedness for Continuing Royalty Fees, Marketing Fund Contributions, and any other amounts owing to us, or any interest or other indebtedness that you or any of your affiliates owe to us.

Note 6: You must submit biweekly, in a form prescribed by us, verification of your expenditures for local advertising and promotion for the previous two (2) calendar-week period. While our System is in its initial growth period, we are currently allowing all franchisees to deduct the amount they spend on local marketing and advertising from their required biweekly Marketing Fund Contribution.

Note 7: If we establish a local or regional advertising cooperative to promote Shawarma Stackz Restaurants in your market area, you will contribute to the cooperative in such amounts as are determined by the majority of its members; but, in no event will you be required to pay more than 3% of Gross Sales for combined Local Marketing and Cooperative Advertising. We are not required to participate in any cooperative advertising programs. As of the date of this Disclosure Document, no local or regional advertising cooperative has been established.

Note 8: Amounts due to us (except interest on unpaid amounts due), not paid when due, bear interest from the date due until paid at the rate of 1.5% per month, or the highest rate of interest allowed by law. We can also recover our reasonable attorneys' fees, costs and other expenses incurred in collecting amounts owed by you.

Note 9: We can audit your financial information at any time during normal business hours without prior notice at the Restaurant. If you have underpaid any fees or amounts due us, you must immediately pay us the underpaid amounts plus interest from the date originally due until the date of payment, at the lesser of

1.5% interest per month, or the highest rate of interest allowed by law. If an audit is done because you failed to furnish us reports, supporting records or other required information or if the underpayment exceeds 2% of your Gross Sales for any period covering the audit, you must also reimburse us for all costs of the audit including travel, lodging, wage expense and reasonable accounting and legal expense.

Note 10: The Transfer Fee for a transfer to a new franchisee is 50% of the then-current Initial Franchise Fee; for a transfer to an existing franchisee, it is 20% of the then-current Initial Franchise Fee; and for transfers to your business entity or a transfer of shares/interest in your business entity, the fee is $2,500.

Note 11: After the Initial Training Program provided to you (or the Operating Partner) and your restaurant managers (including your general manager and up to 2 additional supervisorial or managerial personnel), if you request additional training from us for your employees, or you employ a new Operating Partner or restaurant manager, you must pay us $3,000 for each employee that attends training. You must pay all of your travel, food, lodging, wages and wage related expenses and all other expenses incurred by you and your employees in receiving the training. Additional training may be held at our headquarters, a Shawarma Stackz Restaurant, conducted virtually, or held at a franchise location, depending on the type of training required, and will be at a date and time that is convenient for us. If we provide the training at your Restaurant, you must pay all of our trainer's travel, meal and lodging expenses, which will be reasonable and customary for business travel.

Note 12: We can require you, the Operating Partner and/or the Restaurant Manager to attend ongoing, refresher and/or remedial training to correct, improve and/or enhance the operation of the Restaurant. We charge a daily fee per trainer for any such training. We will designate the location where such refresher training will be held, which may be our then-current headquarters, the Restaurant, or any other location we designate. You are responsible for all travel, living, incidental and other expenses incurred by you or your personnel in attending any training programs, seminars, meetings, etc. If we send a trainer to your location, in addition to the Daily Training Fee, you will pay all of our travel, meal and lodging expenses, which will be reasonable and customary for business travel. (See Item 11)

Note 13: Under certain circumstances, in the event of your death, disability or default under your Franchise Agreement (e.g., failure to have a trained Designated Partner or Restaurant Manager), we may take over the management of the Restaurant until you have a replacement or successor Designated Partner or Restaurant Manager attend and successfully complete the required training.

Note 14: You must indemnify, defend, and hold harmless us, our affiliates, and others named in the Franchise Agreement from damages and liabilities due to facts or events relating to you and/or your business. Refer to the Franchise Agreement and other exhibits for your specific indemnification obligations.

Note 15: You may request the approval of an item, product, service or supplier. We may require you to pre-pay any reasonable charges connected with our review and evaluation of any proposal.

Note 16: You will not have to refurbish the Restaurant more than once every 5 years. You must promptly repair or replace defective, worn-out or obsolete equipment, signage, fixtures or any other item of the interior or exterior of the Restaurant that is in need of repair, refurbishing or redecorating in accordance with our established standards, which may be updated from time to time, or as may be required by your lease. We may change or modify the System that is presently identified by the Marks, including, the adoption and use of new or modified Marks or copyrighted materials. You may be responsible for any reasonable conversion costs.

Note 17: Toast is an independent, third-party company that provides the POS software that you are required to use in the operation of the Restaurant. You will pay this fee directly to Toast.

Note 18: Compeat is an independent, third-party company that provides restaurant management and accounting software. You are required to use this software in the operation of the Restaurant. You will pay this fee directly to Compeat.

Area Development Agreement

Type of Fee[1]	Amount	Due Date	Remarks
Assignment Fee [2]	Our incurred legal fees.	On submitting application for consent to assignment	Payable when you want to sell/transfer the rights under your Area Development Agreement.
Indemnification	All costs, including attorneys' fees	As incurred	You must reimburse us for all damages arising from your activities.

Notes to Chart for Area Development Agreement:

[1] All fees are nonrefundable; the fees are cumulative of the fees you pay under each Franchise Agreement in connection with the operation of each Shawarma Stackz Restaurant.

[2] These fees are imposed by and are payable to us.

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ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR A SHAWARMA STACKZ RESTAURANT

TYPE OF EXPENDITURE[1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee[2]	$30,000	Lump sum by cashier's check or bank wire transfer.	At signing of Franchise Agreement.	Us
Travel and Living Expenses While Training[3]	$10,000 - $15,000	As arranged.	As incurred during training.	Transportation Carriers, Hotel Facilities, Etc.
Real Estate/Lease (3 months + Deposit)[4]	$28,000 - $75,000	As required under the lease.	When you sign your lease.	Landlord
Leasehold Improvements[5]	$350,000 - $600,000	As arranged.	Before opening.	Approved Suppliers, Architect, Designer, & Third-Party Contractors
Furniture, Fixtures & Equipment[6]	$185,000 - $345,000	As arranged.	Before opening.	Designated Suppliers & Third-Party Vendors
Signage[7]	$10,000 - $20,000	As arranged.	Before opening.	Designated Supplier
Utility Deposits[8]	$0 - $5,000	As arranged.	Before opening.	Landlord and Utilities
Professional Fees/ Services[9]	$5,000 - $15,000	As arranged.	As incurred, varied times.	Lawyers, Accountants and Consultants
Computer and Point of Sale Systems[10]	$15,000 - $30,000	As arranged.	Before opening.	Designated Suppliers
Initial Inventory[11]	$5,000 - $10,000	As arranged.	Before opening.	Designated Suppliers
Grand Opening Advertising [12]	$10,000 - $15,000	As arranged.	Before opening and as incurred.	Advertising Sources
Insurance[13]	$2,000 - $5,000	As arranged.	Before opening.	Insurance Carrier
Business License and Permits [14]	$5,000 - $10,000	As arranged.	Before opening.	Local, State or Federal Government
Additional funds – 3 months [15]	$35,000 - $50,000	As arranged.	As incurred, varied times.	Employees, Vendors, Suppliers and Utilities
Total Estimated Initial Investment [16]	**$690,000 - $1,225,000**			

YOUR ESTIMATED INITIAL INVESTMENT UNDER AN AREA DEVELOPMENT AGREEMENT

TYPE OF EXPENDITURE[1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee[2]	$75,000	Lump sum by cashier's check or bank wire transfer.	At signing of Area Development Agreement.	Us
Travel and Living Expenses While Training[3]	$10,000 - $15,000	As arranged.	As incurred during training.	Transportation Carriers, Hotel Facilities, Etc.
Real Estate/Lease (3 months + Deposit)[4]	$28,000 - $75,000	As required under the lease.	When you sign your lease.	Landlord
Leasehold Improvements[5]	$350,000 - $600,000	As arranged.	Before opening.	Approved Suppliers, Architect, Designer, & Third-Party Contractors
Furniture, Fixtures & Equipment[6]	$185,000 - $345,000	As arranged.	Before opening.	Designated Suppliers & Third-Party Vendors
Signage[7]	$10,000 - $20,000	As arranged.	Before opening.	Designated Supplier
Utility Deposits[8]	$0 - $5,000	As arranged.	Before opening.	Landlord and Utilities
Professional Fees/ Services[9]	$5,000 - $15,000	As arranged.	As incurred, varied times.	Lawyers, Accountants and Consultants
Computer and Point of Sale Systems[10]	$15,000 - $30,000	As arranged.	Before opening.	Designated Suppliers
Initial Inventory[11]	$5,000 - $10,000	As arranged.	Before opening.	Designated Suppliers
Grand Opening Advertising [12]	$10,000 - $15,000	As arranged.	Before opening and as incurred.	Advertising Sources
Insurance[13]	$2,000 - $5,000	As arranged.	Before opening.	Insurance Carrier
Business License and Permits [14]	$5,000 - $10,000	As arranged.	Before opening.	Local, State or Federal Government
Additional funds – 3 months [15]	$35,000 - $50,000	As arranged.	As incurred, varied times.	Employees, Vendors, Suppliers and Utilities
Total Estimated Initial Investment [16]	**$735,000 - $1,270,000**			

NOTES TO CHARTS FOR YOUR ESTIMATED INITIAL INVESTMENT

Note 1: All amounts payable to us are nonrefundable, unless otherwise noted. Amounts payable to suppliers/vendors may be refundable according to arrangements you make with the vendor. These figures are estimates of the range of your initial costs in the first 3 months of operation only. We do not offer direct or indirect financing, but leasing and financing may be available for many of the above expenses through third-party lenders.

Note 2: We do not finance any of your initial franchise fees. The Initial Franchise Fee for a single Shawarma Stackz Restaurant is $30,000 and is non-refundable. The Initial Franchise Fee will be reduced to $25,000 for each Restaurant developed under and Area Development Agreement. The Development Fee disclosed in the Area Development Agreement table is for the required minimum 3 Shawarma Stackz Restaurants (i.e., $25,000 x 3 Restaurants = $75,000) developed under the Area Development Agreement. A portion of the Development Fee ($15,000 per each Restaurant to be developed) is due upon the signing of the Area Development Agreement. The remaining $10,000 due for each Restaurant is payable upon the signing of the Franchise Agreement for each Restaurant. The Development Fee is non-refundable. The Development Fee will be credited to the Initial Franchisee Fee due for each of the Shawarma Stackz Restaurants developed under the Area Development Agreement at the signing of the Franchise Agreement. Please refer to Item 5 for more detailed information on the initial franchise fees.

Note 3: As described in Item 11, we will train you (or the Operating Partner) and your restaurant managers (including your general manager and 2 additional supervisorial or managerial personnel) at no additional charge. You are responsible for the wages, travel, and living expenses of the attendees. The amount you will spend while training will depend on several factors, including the number of persons attending, the distance you must travel and the type of accommodations you choose, if any are needed. Training is approximately 7 days for you (or the Operating Partner) and the restaurant managers, depending on your/their experience.

Note 4: If you do not own adequate space, you must lease retail space for the Restaurant. Typical locations for a Shawarma Stackz Restaurant are strip shopping centers or similar locations in densely populated daytime traffic areas with large working or student populations. The typical Restaurant will be 2,000 to 2,500 square feet. Rent is estimated to range between $7,000 and $18,750 per month and will vary significantly depending on such factors as square footage, market climate, type of facility, location (relating to the location of the shopping center within a community and to the location of the leased premises within the shopping center), condition of the leased premises, the age and popularity of the shopping center, etc. These figures assume base monthly rental rates ranging from $3.50 to $7.50 per square foot. Landlords may also vary the base rental rate and charge rent based on a percentage of gross sales. Such rent normally ranges between five percent (5%) and eight percent (8%) of gross sales. In addition to base rent, the lease may require you to pay common area maintenance charges (“CAM Charges”), your pro rata share of the real estate taxes and insurance, and your pro rata share of HVAC and trash removal. You may also be required to pay a security deposit equal to a month’s rent. This estimate covers the first 3 months of operation and 1 month’s rent as a security deposit. The cost of the real estate, if purchased, varies significantly from location to location.

Note 5: The cost of leasehold improvements will vary significantly depending upon many factors, including, without limitation, square footage, geographic area, market climate, labor market (e.g., prevailing wage rates, union labor restrictions, etc.), type and condition of the facility, location, condition of the leased premises and price difference between various suppliers and contractors. The costs of leasehold improvements are your sole responsibility and will vary depending upon your negotiations with the landlord or third parties prior to occupancy, or they may be financed through the landlord or third parties. You may be able to negotiate for "tenant improvement" allowances that can help to reduce your net construction costs. This is an important factor for you to consider in choosing a location. Additional important cost factors are the condition in which a landlord delivers a space, the extent to which it has existing improvements, such as restroom facilities, electrical, HVAC, store front, doors, concrete slab, and other elements, and the nature of the building/site, among other factors, all of which will significantly impact the costs you should expect to incur. You should consult with a qualified, licensed contractor for cost estimates specific to your site before signing the lease, since we cannot predict or warrant what future costs may be. You are responsible for obtaining all necessary permits and licenses required for the location, construction, renovation or operation of the Restaurant. You must use an architect and an interior designer approved by us for your architectural and design services. The designated architect and interior designer will prepare a complete set of site-specific, architectural design drawings, including the mechanical, electrical, plumbing, and any other applicable plans (the "architectural drawings") for the Restaurant, which must be consistent with the design plan and in compliance with all of our standards and specifications. You are responsible for hiring the designated architect and interior designer and paying them directly for their services.

Note 6: The cost of the furniture, fixtures, and equipment includes the estimated costs of all such items that are necessary to open and operate the Restaurant in compliance with our standards and specifications.

Note 7: Before you sign a lease, you must obtain a "Shawarma Stackz" sign drawing that meets all our specifications and is specific to your location ("Approved Sign Criteria") from our designated supplier of signage services. You must obtain a final approved sign plan ("Approved Sign Plan") from us and/or our designee and have the sign drawing and sign plan incorporated into your lease. You must use our Designated Supplier for construction and installation of your signage. You must remove and replace at your cost any sign at the Shawarma Stackz Restaurant location that does not meet the Approved Sign Criteria and Approved Sign Plan.

Note 8: Typically, a utility deposit will be required only if you are a new customer of the utility company.

Note 9: Professional fees include payments to attorneys, accountants, and other consultants.

Note 10: You must purchase or lease the computer system approved by us for use in the Restaurant (the "Computer System"), which includes a tablet computer, 2 terminals, 2 handheld systems, 3 kitchen display systems, a Point of Sale ("POS") system and software programs. Your Computer System must meet all our current standards and specifications and be fully compatible with our computer system and software programs. This range includes the initial acquisition cost for the Computer System, including the Toast POS System (ranging from $10,000 to $15,000), technology fees for accounting, business management, POS and other software license fees, and related support services. You are solely responsible for obtaining your own employee-scheduling software.

Note 11: This range covers the estimated initial inventory that you will purchase from our designated supplier(s) in the first 3 months of operations. This estimated amount includes food products, produce, beverages, cleaning supplies, paper products, plastic utensils, etc.

Note 12: You must spend at least $10,000 on grand opening advertising and promotion of the Restaurant in your Protected Area. As part of our Initial Training Program, we will discuss with you the marketing and promotions strategy to be used during this period.

Note 13: This estimate is for 3 months of your minimum required insurance. The actual cost may be more than shown here. You will need to check with your insurance carrier for actual premium quotes and costs, and for the actual amount of deposit. Insurance costs can vary widely, based on the area in which your business is located, your experience with the insurance carrier, the loss experience of the carrier, the amount of deductibles and of coverage, and other factors beyond our control. You should obtain appropriate advice from your own insurance professional before signing any binding documents or making any investments or other commitments, whether to us or anyone else.

Note 14: These are general estimates for permits and licensing that may be required by local and state governments.

Note 15: Additional Funds is an estimate of funds needed to cover certain business expenses before and during the first 3 months of operation of your business. You also will need to support on-going costs of your business, such as payroll, utilities, marketing expenses, overhead expenses and other costs. You may need more funds than those shown during the first 3 months of initial operation, and additional funds afterwards. In compiling these estimates, we relied upon the experience of our affiliate, Tahini, LLC, in owning and operating a "Tahini" brand restaurant, which is substantially similar to the Shawarma Stackz Restaurant, for 7 years.

The estimates presented relate only to certain costs associated with the Restaurant and do not cover any personal, "living," unrelated business or other expenses you may have, or amounts such as royalty payments, marketing fund payments, debt service on any loans, sales and/or use taxes on goods and services, and a variety of other amounts not described above. We recommend that, in addition to the additional funds shown, you have sufficient personal resources to cover your living and other expenses for more than 3 months.

Note 16: Your total initial investment to begin operations and other financial requirements may be more or less than the amount (range) provided in the chart(s) above. It is not all-inclusive, and there may be additional expenses in starting the Restaurant. Compensation for your time or labor is not included in this figure. Your costs will vary depending upon such factors as: how closely you follow the System; your management and marketing skills; experience and general business ability; local and general economic conditions; and the size of the Restaurant.

You should review these figures carefully with a business advisor, such as an accountant, before making any commitments.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure consistency, quality and uniformity throughout the System, you must purchase or lease all equipment, including point-of-sale ("POS") and computer systems, fixtures, furniture, signs, supplies, inventory, food products, and other products and materials used in the operation of the Restaurant according to our standards and specifications and supplier requirements. All specifications, standards, approved items and suppliers are described in the Manual issued to you and through other written communications from us to our franchisees and approved suppliers. We may periodically update and alter our standards and specifications and add to or delete from the list of products and services authorized for sale at the Restaurant; notification of such changes will be provided to you in writing by us.

We can require that you obtain products/services we specify exclusively from suppliers we designate or approve ("Designated Suppliers"). We can designate or approve a single supplier or multiple suppliers for any specified product/service and designate a single supplier as an exclusive supplier of a required product or service. Designated Suppliers may include, and may be limited to, us and/or our affiliates. We or our affiliate may be designated as the only approved supplier of a product or service. Neither we nor any of our affiliates are currently an approved supplier of any product or service that you are required to purchase. Neither we nor any of our officers or affiliates have an ownership interest in any approved supplier.

We will provide you with information regarding one or more suppliers for each specified product/service. If you wish to purchase goods and services from a supplier not currently approved by us, and if we do not require that you use a particular designated supplier for a product/service, you must submit a written request to us seeking approval of such product, service or supplier. You and/or the supplier must submit written documentation with any qualifying information we request. We may charge you an Alternative Supplier Approval Fee in the amount of $1,000 per inquiry, or the actual costs for our personnel engaged in evaluating a supplier at your request, whichever amount is less, plus reimbursement for any travel, accommodations and meal expenses. We will give you written notification of our approval or disapproval of the proposed supplier within 90 days of the date of our receipt of all required documentation.

Our designation or approval of a supplier may be conditioned on factors we establish, as we consider appropriate, including performance relating to frequency of delivery, standards of service, inability to maintain and/or quality of goods, inability to meet or maintain acceptable pricing, and payment or other consideration to us or parties we designate. Our criteria for supplier approval are available to you upon request. We can approve, or revoke or deny approval, of particular items or suppliers as we consider appropriate. We and our affiliates have the right to receive rebates, incentive amounts, discounts, commissions and other economic benefits from any supplier and to realize a profit on the sales of products and/or services to you.

The Restaurant must contain or display only signage obtained from a Designated Supplier of signage services and produced according to designs approved by us. You also must use only the type and style of menu board we approve.

You must retain and pay for the services of an architect we designate (the "Designated Architect"), an interior designer we designate (the "Designated Interior Designer"), a sign service supplier we designate, and a construction management services supplier approved by us. We currently do not receive any payment, commissions or other compensation from the Designated Architect, Designated Designer, the designated construction management services, or signage services suppliers, but we have the right to do so.

We do not currently have any distribution or purchasing cooperatives for franchisees. In some cases, we will negotiate national account programs and pricing with various vendors on behalf of our franchisees, and we may receive compensation from the vendor.

In the future, we may receive revenues from approved supplier(s), although the basis for determining the amount of such revenues has yet to be determined. We have the right to receive promotional allowances and rebates, commissions and other consideration from suppliers.

We do not currently derive any revenue from franchisees directly purchasing products from us.

During the fiscal year ended December 31, 2021, we did not receive any revenue or other material benefits from required purchases or leases by you. Based upon the operating results of the existing "Tahini" brand restaurant, owned and operated by our affiliate Tahini, LLC, which is substantially similar to a Shawarma Stackz Restaurant, we estimate that your required purchases, purchases from designated/approved suppliers and purchases that must meet our specifications in total will be about 80% to 90% of your total purchases to establish a Shawarma Stackz Restaurant and about 90% to 95% of your purchases to continue the operation of the Restaurant.

We do not currently provide any material benefits to our franchisees based upon their use of designated or approved suppliers. We may negotiate purchase agreements with suppliers that may result in cost saving benefits to our franchisees.

All advertising and promotional materials, including materials which may be used on any computerized media or electronic media by you, must be approved by us, be completely factual and conform to the highest standards of ethical advertising and our requirements and specifications. You shall not use any advertising or promotional materials that we have not approved or have disapproved.

Under the terms of the Franchise Agreement, you are required to purchase and maintain insurance in accordance with our requirements and furnish us with copies of all insurance policies that we request.

Prior to opening the Restaurant and throughout the term of your Franchise Agreement, you are required to keep in force, at minimum, the following insurance coverage:

(1) Worker's compensation, employer's liability, and such insurance to meet statutory requirements;

(2) Commercial general liability insurance, including product liability, property damage, personal injury coverage, liquor liability, employee benefits liability, and data compromise coverages, with a combined single limit of at least $2,000,000;

(3) "ALL RISK" or special property coverage of not less than current replacement cost of the Restaurant's glass, equipment, fixtures and leasehold improvements sufficient in the amount to restore the Restaurant to full operations;

(4) Business interruption insurance with coverage for at least 12 months for actual losses; and

(5) If you have company-owned vehicles, automobile liability insurance for owned and non-owned automobiles including personal injury, wrongful death, and property damage with single limit coverage of at least $1,000,000.

(6) Employment Practices Liability Insurance with a minimum limit of coverage of at least $1,000,000.

(7) Excess Liability Insurance with minimum limits of coverage of at least $5,000,000 for each occurrence, products-completed operations aggregate, and other aggregate.

(8) Cyber Liability Insurance with a minimum coverage amount as set forth in the Manual and/or otherwise determined by Franchisor and communicated to Franchisee.

We reserve the right from time to time to upgrade the insurance requirements as to policy limits, deductibles, scope of coverage, rating of carriers, etc. We will provide you with written notice of any change in our insurance requirements. You will have 60 days from receipt of such notice to revise your coverage, as specified in the notice.

Your insurance must name us as an additional insured and contain a clause requiring notice to us thirty (30) days in advance of any cancellation or material change to any such policy. The "Additional Insured Endorsement" must be approved in writing by us. You must maintain such additional insured status for us on your general liability policies continuously during the term of the Franchise Agreement.

In our discretion, we may accept or reject your proposed location. You must use our standard form of Letter of Intent for the location. In addition, after receiving a copy of a proposed lease or purchase agreement in a form for execution, we shall have the right to accept, accept with modification or reject such proposed lease or purchase agreement. You must collaterally assign your lease to us by executing our standard form of lease addendum attached as Exhibit FA-6 to the Franchise Agreement (the "Addendum to Lease"). Under the Addendum to Lease, we or our designee will have the right to take possession of the premises in the event you default under the lease, the Franchise Agreement or any other agreement with us or our affiliates. You must deliver to us a copy of the fully signed lease or purchase agreement, as previously accepted by us, immediately after its full execution.

You are prohibited from developing, creating, generating, owning, licensing, leasing or otherwise utilizing any computerized media and/or electronic media (including but not limited to the Internet, World Wide Web, bulletin boards, news groups, FTP and Telnet) which may be used in any manner, to display or otherwise utilize the Marks, or offer to sell or sell any of the products and services which are or may at a later date be offered for sale in Shawarma Stackz Restaurants.

You must use our designated supplier for merchant service banking and credit card processing. You are required to honor all credit, charge, courtesy and cash cards that we approve in writing. To the extent you store, process, transmit or otherwise access or possess cardholder data in connection with the sale of products and services at the Restaurant, you are required to maintain the security of cardholder data and adhere to the then-current credit card security standards which can be found at www.pcisecuritystandards.org for the protection of cardholder data throughout the term of your Franchise Agreement. You are responsible for the security of cardholder data in your possession or control and in the possession or control of any of your employees that you engage to process credit cards. You must, if we request that you do so, provide appropriate documentation to us to demonstrate compliance with applicable PCI DSS requirements by you and all your employees. In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, you must immediately notify us in the manner required in the PCI DSS requirements and provide an approved third-party full access to conduct a thorough security review following a security intrusion.

The Area Development Agreement does not require you to buy or lease from us or any designated or approved suppliers, any goods, services, supplies, fixtures, computer hardware and software, or real estate, according to our specifications. However, you must follow our requirements under the Franchise Agreement for each Shawarma Stackz Restaurant you develop.

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.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/ lease	Sections 1.2, 1.3, 6.1, and 7.2 of Franchise Agreement Section I(a) and Exhibit A of Area Development Agreement	Items 7, 11 & 12
b. Pre-opening purchases/leases	Sections 1.2, 6.1, 6.2, 7.2, 7.3, 7.4 and 8.4 of Franchise Agreement None in Area Development Agreement	Items 5, 7 & 8
c. Site development and other pre-opening requirements	Sections 6.1, 6.2, and 7.1-7.4 of Franchise Agreement Section VI of Area Development Agreement	Items 7, 8 & 11
d. Initial and ongoing training	Sections 6.3, 6.4, 6.5, and 8.8 of Franchise Agreement None in Area Development Agreement	Item 11
e. Opening	Sections 1.2, 6.5 and 7.2 of Franchise Agreement None in Area Development Agreement	Item 11
f. Fees	Sections 3.2, 5.1 - 5.6, 6.2, 7.2, 8.10, 9.2, 9.3, 9.4, 10.2, 14.4 and 14.5 of Franchise Agreement Section III of Area Development Agreement	Items 5, 6, 7 & 11
g. Compliance with standards and policies/Operating Manual	Sections 6.6, 8.1 - 8.8, and 8.10 of Franchise Agreement Section VI of Area Development Agreement	Items 8, 11 & 13
h. Trademarks and proprietary information	Sections 4.1 - 4.5 of Franchise Agreement Section VII of Area Development Agreement	Items 13 & 14
i. Restrictions on products/services offered	Section 8.6 of Franchise Agreement None in Area Development Agreement	Items 8, 11 & 16
j. Warranty and customer service requirements	Section 8.13 in Franchise Agreement None in Area Development Agreement	Not Applicable
k. Territorial development and sales quotas	None in Franchise Agreement Section IV of Area Development Agreement	Item 12
l. Ongoing product/service purchases	Section 8.6 of Franchise Agreement None in Area Development Agreement	Item 8 & 16

Obligation	Section in Agreement	Disclosure Document Item
m. Maintenance, appearance & remodeling requirements	Sections 6.2, 7.1, 8.1 and 8.10 of Franchise Agreement None in Area Development Agreement	Items 11 & 17
n. Insurance	Section 10.3 of Franchise Agreement None in Area Development Agreement	Items 6, 7 & 8
o. Advertising	Section 9 of Franchise Agreement None in Area Development Agreement	Items 6, 7 & 11
p. Indemnification	Sections 8.7, 8.10 and 11.2 of Franchise Agreement Section XII of Area Development Agreement	Item 6
q. Owner's participation/ management/ staffing/ personal guaranty	Recital E, Sections 8.5, 8.8 and 11.3 of Franchise Agreement None in Area Development Agreement	Items 11 & 15
r. Records and reports	Section 10.1 of Franchise Agreement None in Area Development Agreement	Items 6 & 11
s. Inspections and audits	Sections 8.2, 8.7, and 10.2 of Franchise Agreement None in Area Development Agreement	Items 6 & 11
t. Transfer	Section 14 of Franchise Agreement Section IX of Area Development Agreement	Item 17
u. Renewal	Sections 3.2 and 3.3 of Franchise Agreement None in Area Development Agreement	Item 17
v. Post-termination obligations	Sections 13.1, 13.3, and 15.6 of Franchise Agreement Section X of Area Development Agreement	Item 17
w. Non-competition covenants	Sections 12 and 13 of Franchise Agreement Section X of Area Development Agreement	Item 17
x. Dispute resolution	Section 16 of Franchise Agreement Section XIX of Area Development Agreement	Item 17
y. Other: Owners/ Shareholders/ Spouse Guarantee of franchisee obligations	Sections 11.3, 14.3, 14.5 and Exhibit FA-5 of Franchise Agreement Section XX and Exhibit C of Area Development Agreement	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing for any amount due under the Franchise Agreement or Area Development Agreement. We do not guarantee your note, lease or any other 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.

A. Pre-Opening Assistance

Before you open the Restaurant, we will:

1. grant you a non-exclusive license to establish and operate a Shawarma Stackz Restaurant using the System and Marks, including, without limitation, menu items and recipes developed and approved by us, at the location authorized by us (Franchise Agreement, Section 1.1);

2. consult with you in connection with finding a suitable site, provide you with the name and contact information of the designated commercial real estate brokerage firm you are required to use to assist you with site selection, and provide you with our standard form of letter of intent for the Restaurant. You will purchase or lease the Restaurant location from an independent third party (See "Site Selection" below.) (Franchise Agreement, Sections 1.2, 6.1, 7.1 and 7.2);

3. provide you with the name and contact information of the designated suppliers for architectural, interior design, and construction management services and signage. (Franchise Agreement, Sections 6.1 and 6.2);

4. consult with you regarding the proper display of the Marks; selection of signs, equipment, furniture, fixtures, initial inventories; recruiting personnel and on managing the construction or refurbishment of the Restaurant. (Franchise Agreement, Sections 6.2 and 6.5) We do not provide, deliver or install any of these items for or to you;

5. provide initial training to you (or the Operating Partner) and your restaurant managers, including your general manager and two (2) additional supervisorial or managerial personnel, at our training facility in San Diego, California, at your Restaurant or other restaurant designated by us, at no additional charge beyond the Initial Franchise Fee (except, you must pay all travel, lodging and incidental costs and expenses of you and employees while attending training). (Franchise Agreement, Section 6.3);

6. if this is your first Shawarma Stackz Restaurant franchise, provide one (1) trainer to assist you in the opening of the Restaurant for approximately five (5) days at no charge to you. If you own and operate multiple Shawarma Stackz Restaurants, we may, at our sole discretion, provide less onsite opening assistance. (Franchise Agreement, Section 6.5);

7. loan you (or allow you electronic or other access to) a copy of the Manual, which contains mandatory and suggested specifications, standards and operating procedures prescribed by us (Franchise Agreement, Section 6.6); and

8. coordinate with you in implementing your advertising and marketing for the Grand Opening of the Restaurant (Franchise Agreement, Sections 6.11 and 9.3).

B. Our Obligations During the Operation of the Restaurant

After the opening of the Restaurant, we will:

1. provide additional training to you and any of your employees at your request. You are responsible for any and all costs associated with such additional training. (Franchise Agreement, Section 6.4A);

2. provide refresher training or new training, as we may reasonably require, to correct improve and/or enhance the operation of the Restaurant. You will be responsible for any costs associated with attending such training (Franchise Agreement, Section 6.4B);

3. specify or approve certain products, services, and suppliers to be used in Shawarma Stackz Restaurant. (Franchise Agreement, Section 6.8);

4. provide continuing advisory assistance and information to you in the development and operation of the Restaurant, by telephone, computer, fax, e-mail, written updates, periodic meetings, and on-site visits, as we deem advisable. (Franchise Agreement, Section 6.7);

5. subject to the laws in your state, advise you on required pricing, including any fixed minimum or maximum prices of products and services offered by Shawarma Stackz Restaurants. We will take into account cost differences among regions and localities. You must use the pricing required by us, unless we consent to changes in local pricing offered by you. (Franchise Agreement, Section 6.9);

6. review and approve or disapprove your proposals to use or sell certain products, equipment or suppliers that have not been approved by us in the operation of the Shawarma Stackz Restaurant (Franchise Agreement, Section 8.6 F);

7. manage the customer gift card program (the "Gift Card Program") among Shawarma Stackz Restaurant franchisees and affiliated companies (Franchise Agreement, Section 8.10);

8. develop, prepare and offer to you (in some cases with, and in some cases without, charge) such posters, ad formats, direct mail, point of sale and other advertising materials for the Shawarma Stackz Restaurant, as we deem appropriate (Franchise Agreement, Section 9.1); and

9. maintain and administer the Marketing Fund. (Franchise Agreement, Section 9.2)

C. Typical Length of Time before Operation

We will authorize the opening of your Restaurant when (i) all of your pre-opening obligations have been fulfilled, (ii) pre-opening training has been completed, (iii) all amounts due us have been paid, (iv) copies of all insurance policies (and payment of premiums) and all other required documents have been received by us, and (v) all permits have been approved. The length of time between the signing of the Franchise Agreement or payment of your initial franchise fees and the opening of your Restaurant must be within fifteen (15) months. In certain instances, and in our sole discretion, we may extend the opening time an additional three (3) months.

If you are operating under an Area Development Agreement, you must open multiple Shawarma Stackz Restaurants according to your development schedule, which may extend over several years, depending on the number of restaurants you have committed to develop.

D. **Site Selection** (Franchise Agreement, Sections 1.2, 6.1, 6.2, 7.1 and 7.2)

Unless you own or purchase property that is suitable for purposes of operating the Restaurant, the Restaurant will be leased from an independent third party. You are solely responsible for locating, obtaining and evaluating the suitability and prospects of the Restaurant location and for the review and negotiation of your letter of intent and lease, and are accountable for the ultimate decision as to the selection of a particular location, regardless of the suggestions or comments of ours, any of our representatives or any other entity. We will provide you with our standard form of letter of intent, which you are required to use. We will also furnish you our standard site documents, including confidential site evaluation criteria, a location report form, our recommended form of letter of intent, "vanilla shell" construction exhibit, key lease points document, and we generally consult with you. At our discretion, we may also conduct field inspections of proposed sites at mutually convenient times.

We must accept the site for the Restaurant. Our acceptance of a proposed site is not an assurance or guaranty to you of the availability, suitability or success of a location. We are not responsible for your decision on a site or any site related matter. You are solely responsible for hiring your own financial and legal professionals, consultants, architects, engineers and contractors to help you. We urge you to seek legal counsel in connection with a lease review before entering into any commitment. We recommend that you have a test fit done for a proposed location prior to lease execution, especially if the location is not a standard size or shape for a Shawarma Stackz Restaurant.

We will advise you whether a proposed site is accepted or rejected within approximately 30 days after receipt of the Location Report and Site Plan, and our research on the demographics in the area, including the U.S. Census Data, and information relative to the site and location. Depending upon the completeness of the information provided, the process may take less than 30 days or longer than 30 days; if more than 30 days is required, you will be advised in writing as to the reasons for the delay. If we are not able to agree upon a site for the Restaurant, we may terminate the Franchise Agreement. We will not unreasonably withhold our acceptance of a location proposed by you. You must identify a site acceptable to us within six (6) months of the signing of the Franchise Agreement. We can terminate your Franchise Agreement if you fail to select an acceptable site within such allotted time period.

You must secure our acceptance to any proposed site before signing either the letter of intent or the lease for the Restaurant location. Before you sign a letter of intent, you must provide your landlord's sign criteria for the proposed location. Before you sign a lease, you also must obtain a site-specific drawing that meets our specifications and have obtained a final approved sign plan from us, which must be incorporated in the lease. If your sign does not meet the approved plan, then you must replace it at your expense. The lease must be in a form reasonably acceptable to us and contain certain provisions/concepts to protect us. Prior to executing the lease, you must provide us with an execution-ready copy of the lease, with all exhibits and attachments, for our review.

After you sign a lease, you must supply us with a fully executed copy along with a signed Lease Addendum, which is Exhibit FA-6 to the Franchise Agreement.

Before you begin construction of the Restaurant, you also must promptly submit to us, an approved supplier for construction management services, the landlord and local authorities for approval, all requisite drawings, designs, plans and specifications, and obtain all required permits and certifications, including zoning, building, access, sign, fire and health requirements. You will use our designated suppliers for architectural, design, and signage services.

You must employ a licensed general contractor that we approve and obtain payment and performance bonds; all customary contractor's sworn statements; and partial and final waivers of lien for construction, remodeling, decorating and installation services for the Restaurant. You also must obtain or have the general contractor obtain builders risk Insurance naming you as a loss payee.

All site activities must comply with plans and specifications, including the Approved Sign Plan and any signage specifications approved by us, the landlord, and local authorities and with all applicable ordinances, building codes and permit requirements.

If you sign an Area Development Agreement, you will submit a separate Location Report for site approval for each Shawarma Stackz Restaurant to be established within your Designated Territory, and our then-current standards for site selection will apply. Factors we consider in approving sites are demographics, density of population, proximity to high schools and college campuses, traffic patterns and others. We will advise you whether a proposed site is acceptable within approximately 30 days after receipt of the Location Report and Site Plan, and our research on the demographics in the area, including the U.S. Census Data, and other information relative to the site and location. Depending upon the completeness of the information provided, the process may take less than 30 days or longer than 30 days; if more than 30 days is required, you will be advised in writing as to the reasons for the delay.

E. **Operations Manual** (Franchise Agreement, Section 6.6)

As stated above, we lend you (or allow you electronic or other access to) a copy of the Manual during the term of your Franchise Agreement. The Manual contains our mandatory and suggested specifications, standards and operating procedures and is made up of our entire collection of manuals, guidelines, standards and specifications provided to you relating to the development, design, construction and operation of the Restaurant. If there is any dispute concerning the contents of the Manual, the terms of the master copy of the Manual maintained at our principal office will control. The Manual consists of approximately 283 pages. Its table of contents is attached to this Disclosure Document as Exhibit E.

F. **Training** (Franchise Agreement, Sections 6.3, 6.4 and 6.5)

Initial Training

Before the opening of the Restaurant, we will provide you (or the Operating Partner) and your restaurant managers, including your general manager and up to two (2) additional supervisorial or managerial personnel from your Restaurant, with initial training (the "Initial Training") at our training facility located in San Diego, California and at your Restaurant or other restaurant designated by us. We do not charge you a fee for the Initial Training Program if you (or the Operating Partner) and your restaurant managers receive training at the same time. Subject to availability, and with our approval, you may have additional employees attend the Initial Training Program at a cost of $3,000 per trainee. You (or the Operating Partner) and the Restaurant's general manager must successfully complete the Initial Training to our satisfaction, and any additional required training, and comply on an ongoing basis with all ongoing/refresher training requirements. If the franchisee is a business entity, then the Operating Partner named in the Franchise Agreement must successfully complete the Initial Training and any additional required training, and comply on an ongoing basis with all training requirements to our satisfaction. To satisfactorily complete our Initial Training Program, you must attend all the scheduled training and pass the written test given at the end of the training with a score of 90% or higher. You are responsible for all travel, lodging, food, wages, wage related expenses and other expenses in connection with training for you and your employees.

The length of the Initial Training is estimated to be 17 days with approximately 8 hours of training per day for you (or the Operating Partner) and the Restaurant's managers, depending on your/their experience, and is scheduled at our discretion. The Initial Training consists of a combination of online training, classroom training at Franchisor's headquarters or such other facility as designated by Franchisor, and on-the-job training conducted at Franchisee's Restaurant or other restaurant designated by Franchisor. The Initial Training covers the basic aspects of establishing and operating a Shawarma Stackz Restaurant, including general business strategies, food preparation techniques, recipes, the POS Computer System, forms, cost control, purchasing, inventory control and disposition, customer service, marketing, selling skills, training and scheduling procedures, job functions and maintenance of quality standards. If you are an existing Shawarma Stackz Restaurant franchisee, we may, at our sole discretion, reduce the amount of required Initial Training for you and your restaurant managers. If you (or the Operating Partner) do not satisfactorily complete the Initial Training, then we will have the option, at our sole discretion, to (1) extend the Initial Training for you (or the Operating Partner) and allow you additional time to successfully complete the Initial Training, or (2) terminate the Franchise Agreement.

The Initial Training is conducted after the signing of the Franchise Agreement and the signing of your lease for the Restaurant and is generally completed 90 days before the Restaurant opening. However, we cannot assure you that delivery of our Initial Training and your Restaurant build-out will coincide. While we try to avoid scheduling problems, your Restaurant may be ready to open before you have completed training and can be allowed to operate it. Before attending Initial Training, you will: 1) send us a fully executed copy of the lease for your Authorized Location; 2) complete, sign and return to us the Electronic Funds Transfer Agreement and the Electronic Debit Authorization Form (Exhibit FA-2 and Exhibit FA-3 to the Franchise Agreement, respectively); and 3) send us a list of attendees with their biographies and positions at the Restaurant.

Training requirements are communicated and updated through periodic memos, publications and manuals. The following is an outline of the current training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Brand Introduction	4	0	Our corporate headquarters located in San Diego, California, and at your Restaurant (or at a location later designated by us.)
Customer Service	8	20	Our corporate headquarters located in San Diego, California, and at your Restaurant (or at a location later designated by us.)
Bread Training	0	15	Our corporate headquarters located in San Diego, California, and at your Restaurant (or at a location later designated by us.)

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Meat Training	0	20	Our corporate headquarters located in San Diego, California, and at your Restaurant (or at a location later designated by us.)
Sauce/Food Preparation	0	20	Our corporate headquarters located in San Diego, California, and at your Restaurant (or at a location later designated by us.)
Operational Training	10	25	Our corporate headquarters located in San Diego, California, and at your Restaurant (or at a location later designated by us.)
Software Training	15	0	Our corporate headquarters located in San Diego, California, and at your Restaurant (or at a location later designated by us.)
Total	**37**	**100**	

Osama Shabaik and Mahmoud Barkawi, whose biographies are listed in Item 2, are in charge of the Training Program. Mr. Shabaik and Mr. Barkawi each have 9 years of management experience in the restaurant industry and the subjects taught. They are our co-founders and have been employed with us since our inception. We will offer initial training on an as-needed basis, which we anticipate being quarterly. Our primary instruction is through lecture, hands-on training, the Manual and other instructional materials we prepare specifically for the Initial Training Program.

If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of our control, we reserve the right to conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences. (Franchise Agreement, Section 6.3 H.)

Additional Training, Refresher Training, and Meetings. (Franchise Agreement, Section 6.4)

If, after you complete the Initial Training, you want additional training for yourself or any of your employees, or if you hire a new general manager or name a new Designated Partner, we will provide you with additional training at our training facility, your Restaurant, or other restaurant designated by us. We charge a fee of $3,000 per attendee for this additional training. You are responsible for all travel, lodging, food, wages, wage related expenses and other expenses in connection with the Initial Training for your Operating Partner and/or Restaurant managers.

New general managers must attend and complete the next available classes offered by us following the commencement date of his/her employment. We may, at our sole discretion, allow you to provide Initial Training to your new managers if we believe you are capable of adequately conducting the required Initial Training.

We may require you (or the Designated Partner) and/or the restaurant managers to attend additional and/or remedial training to correct, improve and/or enhance the operation of the Restaurant. We will designate the location where such refresher training will be held, which may be our then-current headquarters, your Restaurant, or any other location we designate. You are responsible for all travel, living, incidental and other expenses incurred by you or your personnel in attending any such training. We may charge a Daily Training Fee for each trainer we provide to conduct any necessary refresher or remedial training to you. If such refresher training is held at your Restaurant, you must pay all reasonable and customary business travel and living expenses incurred by our trainers while conducting the training at the Restaurant.

Additionally, you must attend, at your sole expense, all annual meetings and other meetings, conferences, conventions, and conference calls of franchisees that we determine are mandatory for all franchisees or groups of franchisees (as designated by us in its reasonable discretion.)

G. Advertising

General (Franchise Agreement, Section 9.1)

You may develop advertising materials for your own use at your own cost provided that you submit them to us for our prior approval. We may require you to submit samples of all advertising and promotional materials. You may not use any advertising or promotional materials disapproved or unapproved by us. You must comply with any advertising requirements contained in your lease or sublease for the premises of the Restaurant. All advertising and promotional materials you use must be completely factual, comply with all applicable laws and conform to the highest standards of ethical advertising and policies we prescribe. You may not develop, establish, maintain, or authorize any Website which refers to the Shawarma Stackz Restaurant and/or the Marks, with the exception of Yelp and Google Review. You must strictly follow the social media guidelines, code of conduct, and etiquette, as set forth in the Manual pertaining to social media activities. (Franchise Agreement, Sections 9.6 and 9.7)

Marketing Fund (Franchise Agreement, Section 9.2)

We will establish, maintain and administer a Marketing Fund (the "Marketing Fund") for advertising, marketing, public relations, promotional, and other programs we decide are necessary or appropriate to advertise and/or promote the System, brand, image and/or Restaurants owned by various franchisees, as well as us. We direct all these programs, with control over the creative concepts, materials, endorsements and media used in these programs, the source of the advertising or public relation efforts, the placement and allocation of such programs and the composition of all geographic territories and market areas for the development and implementation of such programs. Through the Marketing Fund, we may expend funds in media, such as, direct mail, newspapers, radio, cable and local television, and hire an advertising and/or marketing agency as well as a public relations firm. We will utilize a combination of in-house and advertising agency resources to produce advertising.

You will contribute, biweekly (i.e., every 2 weeks), to the Marketing Fund 2% of the Gross Sales of the Restaurant, payable in the same manner and at the same time as the Continuing Royalty Fee. We reserve the right to increase the amount you are required to contribute to an amount not to exceed 4% of the Gross Sales of the Restaurant. We will make contributions to the Marketing Fund on the same bases as our franchisees for all Shawarma Stackz Restaurants operated by us and/or our affiliate.

We reserve the right to rebate to you (as well as to other Shawarma Stackz Restaurant franchisees) on a periodic basis, all or any portion of any Marketing Fund Contributions, as reimbursement for local advertising and promotion conducted by you. Marketing Fund Contributions are non-refundable. Other Shawarma Stackz Franchisees may not be subject to the same contribution requirements as you are. We can waive or reduce the Marketing Fund Contribution and/or other advertising expenditure requirements where we think the venue or other circumstances warrant it, in which case other franchisees will be operating under Fund-related provisions (if any) that could be materially different from your own.

The fees paid to the Marketing Fund are used to meet all costs of maintaining, administering, directing, preparing and reviewing national, regional and local advertising materials and programs, promotional materials and activities, and all other Marketing Fund activities, and are in addition to, and exclusive of, any sums that you may be required to spend on local advertising and promotion, including expenses associated with your participation in merchandising, promotional, and other marketing programs implemented by us through the Marketing Fund. You must participate at your expense in all Marketing Fund programs. You have the right to set your own prices, except that we can specify a minimum and maximum price for goods or services to the greatest degree permitted by law. You must honor all coupons, price reduction and other promotions/programs we implement. We have the option of allowing Marketing Fund funds to be used to furnish franchisees with marketing, advertising, promotional and other materials/services, or requiring franchisees to pay all costs of participation in any Marketing Fund program, including related costs of production, shipping, delivery, handling and/or other related expenses.

We have sole control over the amount and nature of expenditures from the Marketing Fund. We have the exclusive right to decide whether and in what proportions the funds will be allocated to advertising, research, marketing, public relations, sales promotions or other areas, and to select materials, programs, media and agencies that we deem appropriate. We can include on any advertising and/or Fund-produced material a brief statement regarding the availability of Shawarma Stackz Restaurant franchises.

The Marketing Fund is accounted for separately from our other funds and is not used to pay any of our general operating expenses, administrative costs and overhead that we incur in activities reasonably related to the administration, direction or promotion of the Marketing Fund and its programs. We may audit the Marketing Fund; although, we have no obligation to do so. An annual accounting of the Marketing Fund is available to any franchisee upon request.

Any sums paid to the Marketing Fund that are not spent in the year they are collected will be carried over to the following year.

Advertising may be prepared in-house or by a national or regional advertising agency.

We have no obligation to ensure that Marketing Fund contributions are spent on advertising in your market area or territory, and we have no obligation to ensure that the Restaurant benefits directly or pro rata from the placement of any advertising.

Through the Marketing Fund, we may furnish you with approved local marketing plans and materials on the same terms and conditions as such plans and materials are furnished to other franchisees.

We currently do not have an advertising council composed of franchisees that advises us on advertising policies, but we reserve the right to establish one in the future and we have the power to form, change or dissolve the council in our discretion.

We did not collect any Marketing Fund Contributions in our fiscal year 2021. Therefore, during our fiscal year ended December 31, 2021, the Marketing Fund spent 0% of its contributions on production, 0% on media and public relations, 0% on administrative expenses, 0% on sponsorships, and 0% on internet related matters.

No funds in the Marketing Fund are used for advertising that is principally a solicitation for the sale of franchises, but we may include a brief statement on any advertising and other Marketing Fund-produced material regarding the availability of Shawarma Stackz Restaurant Franchises.

Grand Opening Advertising (Franchise Agreement, Sections 9.3)

You must spend a minimum of $10,000 on advertising, marketing and promotion to support the Grand Opening of the Restaurant. We will advise you regarding your Grand Opening advertising. You will use advertising and promotional campaign and materials approved by us, and which may be required to include a brief statement regarding the availability of Shawarma Stackz Restaurant franchises. The Grand Opening Program will include, but not be limited to, direct marketing materials and production-ready, customized promotional slicks/items.

Local Marketing/Advertising (Franchise Agreement, Section 9.4)

You must spend for local advertising and promotion of the Restaurant biweekly (i.e., every 2 weeks) not less than 1% of your Gross Sales for the preceding two (2) calendar-week period. Such local advertising expenditures shall exclude money spent for classified telephone directory listings, discounts, coupon redemptions and the cost of products or services given without charge. Currently, we allow you to deduct the amount you spend on local marketing and advertising expenses from your required Marketing Fund Contribution.

Advertising Cooperative (Franchise Agreement, Section 9.5)

You are not currently required to participate in any local or regional advertising cooperative, as one has not yet been established. If we establish a local or regional advertising cooperative in your designated market area, you must become a member and participate in the same manner as the other members. You will be required to contribute to the cooperative in such amounts as are determined by the majority of its members, but, in no event, will you be required to pay more than three percent (3%) of your Gross Sales for combined local marketing and cooperative advertising. Contributions made by you to any such advertising cooperative will count towards your local marketing and advertising spending requirement. Each Shawarma Stackz Restaurant will be entitled to one (1) vote, but in order to vote the franchisee must be in Good Standing. Any such advertising cooperative must operate under bylaws written and approved by us and must provide for one of our representatives to be a member of the cooperative and any committee responsible for advertising and sales promotion decisions.

H. **<u>Computer System, including POS System</u>** (Franchise Agreement, Section 8.10 and 10.1)

You must purchase, or lease, and maintain the Computer System that we designate, which includes a computer, POS system, security system, hardware, software and equipment.

You must participate in our electronic point-of-sale cash collection and data processing system (the "POS System"). The POS System, including hardware, credit card processing, and cash register will be packaged and sold or leased to you by a designated supplier selected by us, who we may change from time to time at our sole discretion. Currently, we require you to use the POS System provided by the Toast. This is the product that we will utilize to determine biweekly sales in which to draw Continuing Royalty Fees and Marketing Fund Contributions. All support and maintenance for the POS System will be provided by the Designated Supplier.

The POS System allows you to set up various e-mail alerts, to generate detailed sales, inventory, product mix, employee performance, labor scheduling and payroll reports, and to record and report sales activities and gift card sales and redemption. It also allows us to access or poll your sales and operational activities. If we establish a customer gift card program ("Gift Card Program") and/or a loyalty program ("Loyalty Program"), you must participate in such programs and comply with the guidelines, standards and requirements as provided by us.

The POS System will record gross sales and transaction data (such as item ordered, price and date of sale) and will facilitate our customer Gift Card Program and Loyalty Program. You must use our approved supplier, unless you obtain our prior written consent. The POS System must be connected to a broadband line at all times and be capable of accessing the Internet via a designated third-party network for the purpose of implementing software, transmitting and receiving data, accessing the Internet for ordering and maintaining the POS System.

We will have independent access to information you generate and store on your POS System. The POS System is designed to enable us to have immediate access to the information monitored by the System, and there is no contractual limitation on our access or use of the information we obtain.

We reserve the right to require you to update or upgrade any computer hardware or software during the term of the franchise, and if we choose to do so, there are no limitations on the cost and frequency of this obligation. Neither we nor our supplier have a specific obligation to you to maintain, repair, update or upgrade your Computer System. That is your sole obligation.

The initial acquisition cost for the Computer System, including the POS System and software, is approximately $15,000 to $30,000 for a Shawarma Stackz Restaurant. This does not include the cost of any electrical work, cabling or other installation charges. The cost of the required Toast POS System ranges from $10,000 to $15,000. The approximate cost of any annual upgrades or updates, support contracts, and maintenance costs are estimated to be approximately $750 to $1,800 per year, which costs you will pay directly to the approved supplier.

You must use our designated merchant services bank for credit card processing and administering our Gift Card Program and Loyalty Program, if established.

ITEM 12 TERRITORY

Franchise Agreement

Exhibit FA-1 to the Franchise Agreement provides for the designation of an Authorized Location and Protected Area. You will operate the Restaurant from the Authorized Location, accepted by us. So long as you are in good standing, you will receive a non-exclusive protected area ("Protected Area"). The Protected Area will vary by the market and location of the Authorized Location and will be determined solely by us on a case-by-case basis. The Protected Area will have a population of approximately 50,000 people and will typically be specified as a radius around the Authorized Location. We will consider many factors in determining the boundaries for the Protected Area, including, but not limited to, demographics, including

U.S. Census Data, geographical barriers, political boundaries, income levels, traffic counts, accessibility, and other characteristics of the market area.

We will not establish a company-owned Shawarma Stackz Restaurant or a “Tahini” brand restaurant, which is the trade name of our company-owned restaurants that are similar to Shawarma Stackz Restaurants, or grant a franchise to anyone other than you for the operation of a Shawarma Stackz Restaurant within the Protected Area, without your prior written consent, so long as you: (i) fully comply with the methods, procedures, standards and specifications required by us in the Manual or otherwise in writing, and (ii) do not violate any of the other terms and covenants of Franchise Agreement or any other agreement with us.

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

We and our affiliates have the right at any time to establish company-owned or franchised Shawarma Stackz Restaurants at any locations we choose outside your Protected Area. You must receive our prior written approval to offer catering and/or delivery services from the Restaurant. If approved by us, you may accept and fulfill orders for delivery to customers and/or recipients located within the Protected Area. You may not provide any such services to or at locations outside the Protected Area without our prior consent, and under no circumstances may you provide any such services to customers and/or recipients located in another Shawarma Stackz Franchisee’s protected area. We have the right to require you to offer catering and/or delivery services from the Restaurant to customers and/or recipients located within the Protected Area.

Subject to the rights reserved by us in your Franchise Agreement, we grant you the right to operate a single Shawarma Stackz Restaurant at the location and premises accepted by us in accordance with your Franchise Agreement. You are not granted any rights to use the System and the Marks in connection with alternative channels of distribution, without our prior written consent. “Alternative Channels of Distribution” include any other channel of commerce or method of distribution, including, without limitation, distribution of products or services in supermarkets, grocery stores, convenience stores, gasoline stations, discount stores, department stores, bookstores, music stores, kiosks, mobile facilities, vending carts, stadiums, convention centers, concert halls, amusement parks, fair grounds and other areas of public gatherings, any temporary or mobile facilities, mail order facilities, Internet-based facilities, or direct response media.

You may serve customers only from the Restaurant. You may not offer or make sales to food brokers, wholesalers, grocery or other chain Restaurants or any other buyer for resale through any channel of distribution. You may not operate any other permanent or temporary mobile vending vehicle, grab ‘n go case, cart, kiosk or any other channel of distribution, including via computerized media (e.g., World Wide Web, Internet, Telnet, FTP, electronic mail, bulletin boards and news groups), without our prior written consent. Any use of social media by you pertaining to the Shawarma Stackz Restaurant must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. We reserve the right to "occupy" any social media websites/pages and be the sole provider of information regarding the Restaurant on such websites/pages (e.g., a system-wide Facebook page). At our request, you will promptly modify or remove any online communication pertaining to the Restaurant that does not comply with the Franchise Agreement or the Manual.

We have all rights to market and sell “Shawarma Stackz” brand (or any other brand) products and services (whether or not competitive) to customers located anywhere (including within your Protected

Area) using alternative channels of distribution (i.e., channels other than a traditional, full-service Shawarma Stackz Restaurant located in the Protected Area). You should not have any expectation that we will not use those means of distribution. With respect to sales by any alternative channel of distribution, there is no limitation on our ability (and the ability of anyone that we appoint) to sell to customers located anywhere. You are not entitled to any compensation, allowance, payment or other consideration on account of any products and services we may offer or sell using alternative channels of distribution in your Protected Area.

If we choose to grant you rights relating to an Alternative Channel of Distribution, you will not have a Protected Area with respect to the Alternative Channel of Distribution, unless a mutually executed special addendum to the Franchise Agreement specifies a Protected Area.

We reserve all rights not expressly granted to you in your Franchise Agreement. We specifically reserve the rights to operate, or to license others to operate:

(1) any kind of business in any Protected Area awarded to you selling to customers located anywhere, whether or not using the Shawarma Stackz Restaurant brand and System, except for a traditional Shawarma Stackz Restaurant or "Tahini" brand restaurant in your Protected Area; and

(2) any kind of business anywhere outside of any Protected Area awarded to you selling to customers located anywhere, whether or not using the Shawarma Stackz Restaurant brand and System, including Shawarma Stackz Restaurants.

We can acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere (including in your Protected Area), and including arrangements in which (1) other units are (or are not) converted to the Shawarma Stackz Restaurant or other format (including using the System and/or Marks) and/or (2) we are acquired, and/or company-owned, franchised or other businesses (including the traditional Shawarma Stackz Restaurant Restaurant) are converted to another format, maintained under the System or otherwise. All Shawarma Stackz Restaurants owned by you must fully participate in any such conversion, at your sole expense, except as otherwise stated in the Franchise Agreement.

You may not relocate the Restaurant to any other location without our prior written consent. If we approve any relocation of the Restaurant, you must de-identify the former location. If you fail to de-identify your former Restaurant, you must reimburse and indemnify and hold us harmless from all costs and expenses, including attorney's fees, arising out of your failure to de-identify.

Any Protected Area you may have is not dependent upon you attaining minimum sales. You have no right to any additional Restaurant franchises under the Franchise Agreement.

System Standards

We may choose, in our sole discretion, to evaluate the Restaurant for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, customer comments/surveys, and secret shopper reports). You must meet minimum standards for cleanliness, equipment condition, repair and function, and customer service. Your employees must meet minimum standards for courteousness and customer service. You must follow our food specifications, preparation, and recipes exactly as set forth in the Manual and elsewhere by us. You may not substitute ingredients or alter the recipes provided by us in any way whatsoever.

Area Development Agreement

You will receive a protected area (the "Designated Territory") under an Area Development Agreement. The Designated Territory may be defined by zip code boundaries, county boundaries, highways, physical landforms, city or municipality boundaries and other factors we deem appropriate.

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

During the term of the Area Development Agreement, we reserve certain rights, including the right to:

(1) establish and operate, and allow others to establish and operate, Shawarma Stackz Restaurants using the Marks and the System, at any location outside the Designated Territory, on such terms and conditions we deem appropriate;

(2) establish and operate, and allow others to establish and operate, competitive businesses that may offer products and services which are identical or similar to products and services offered by Shawarma Stackz Restaurants, under the Marks or other trade names, trademarks, service marks and commercial symbols different from the Marks outside the Designated Territory;

(3) establish, and allow others to establish, other businesses and distribution channels, for sales of Shawarma Stackz branded products, such as sauces or dressings, through retail stores that do not operate under the Marks, or sales via the Internet, wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, even if within the Designated Territory, as Developer recognizes that it is not feasible for a single developer or franchisee to produce and market products to certain customers, such as a large grocery chain;

(4) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at the Shawarma Stackz Restaurants, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Designated Territory);

(5) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Shawarma Stackz Restaurants, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Designated Territory; and

(6) engage in all other activities not expressly prohibited by the Area Development Agreement.

We are not required to pay you if we exercise any of the rights specified above inside your Protected Territory.

You will submit a separate Location Report to us for each Shawarma Stackz Restaurant to be established within your Designated Territory pursuant to your Area Development Agreement. We will accept or reject the site within 30 days after receipt of the Location Report from you. If we accept your proposed site, it will become the Shawarma Stackz Restaurant's authorized location. Upon the signing of a Franchise Agreement for each Shawarma Stackz Restaurant developed, we will define your Protected Radius, as described above in the first paragraph under the heading, "Franchise Agreement." Our then-current standards for site selection and protected territories will apply.

We may reduce the number of Shawarma Stackz Restaurants to be developed in your Designated Territory if you fail to (i) meet the development schedule under your Area Development Agreement, (ii) fail to comply with any other term or condition of your Area Development Agreement, or (iii) fail to comply with any individual franchise agreement between you and us.

ITEM 13 TRADEMARKS

We grant you the right to operate a restaurant under the name "Shawarma Stackz." You may also use other current or future trademarks that we designate to operate the Restaurant. By trademark, we mean trade names, trademarks, service marks, and logos used to identify the Restaurant. The following Marks have been filed by Licensor, Tahini, LLC, on the Principal Register of the United States Patent and Trademark Office ("USPTO"), and licensed to us pursuant to a license agreement dated September 1, 2019:

Mark	Serial Number	Filing Date
SHA WAR MA	88856142	April 1, 2020
SHAWARMA. FOR THE PEOPLE. BY THE PEOPLE.	97339463	March 30, 2022

Affidavits of use and incontestability, and applications for renewal will be filed at the time specified by law.

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have as 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 have not yet filed for a federal registration of the following logo (or stylized word mark), which you will use in connection with the operation of the Restaurant:

There are no agreements currently in effect, which significantly limit our rights to use or license the use of the Marks to you. The license agreement, between Licensor and us, has an indefinite term and does not significantly limit our right to use or license the trademarks in any manner material to the franchise. It can only be canceled or modified if we decide to no longer offer Shawarma Stackz Restaurant franchises, or if we do not protect the Marks or misuse them. Cancellation or modification of the license agreement we have with Licensor will not have any effect on our existing franchisees, who may continue to operate their Restaurants until the end of the term of their Franchise Agreement.

We have no information regarding any claims of, or agreements with, any third parties relating to the rights to use these trademarks and/or service marks. We have no knowledge of any prior rights or infringing uses that could materially affect your use of the Marks in any state.

There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor any pending material litigation involving any of the Marks which are relevant to their use in any state. There are no pending interference actions or opposition or cancellation proceedings that significantly limit our rights to use or license the use of the Marks in any manner material to the System.

You must use all marks in compliance with your Franchise Agreement and the Manual. You cannot use the "Shawarma Stackz" name or Marks as part of your corporate name or with modifying words, designs or symbols. You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You must not establish a website on the Internet using any domain name containing the Marks or any variation thereof without our written consent. We retain the sole right to advertise on the Internet and create a website using the Marks as domain names.

You must notify us immediately when you learn about an infringement of or challenge to the use of our trademarks, and you are obligated at your expense to assist and cooperate with any suit or other action undertaken by us with respect to such unauthorized use or infringement, including, without limitation, testifying or furnishing documents or other evidence. We have the right, but not the obligation, to take the action we think appropriate and to direct and control any proceeding, litigation or settlement involving our marks. We will be responsible for legal expenses that we incur in connection with any litigation or other legal proceedings involving such third party.

We have no liability to you if a claim is asserted, and we are not required to defend or indemnify you against any claims or damages arising out of proceedings to which you are a party involving disputes over any of our names or trademarks; except that we will indemnify and hold you harmless regarding any claim, liability or other obligation directly resulting from a finding by a court or arbitrator against us on a claim of infringement by a third party that arises out of your use of the Marks in an authorized manner. Other than in this specific instance, we are not liable for any of your legal expenses unless we choose to approve such expenses.

You agree not to contest, directly or indirectly, or aid in contesting the validity or ownership of our name and trademarks or take any action whatsoever that might affect or prejudice our claimed rights therein.

We may add to, delete from, modify, change, revise or substitute different names and marks for use in identifying the Shawarma Stackz Restaurants. You must comply, at your own expense, with each addition, deletion, modification, change, revision or substitution.

Upon termination, expiration or nonrenewal of your Franchise Agreement, you must immediately stop using the names and trademarks and take appropriate action to remove the names and trademarks from your business and to cancel any advertising relating to your use of our names and trademarks.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any right in or to any patents or copyrights that are material to the franchise. We do, however, claim common law copyright protection for the Manual. You do not receive the right to use any item covered by a patent or copyright, but you can use the proprietary information in the Manual and that you receive in training in the operation of the Restaurant. There currently are no effective determinations of the Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses known to us that could materially affect your use of the copyrighted materials in any state. Other than the License Agreement with Licensor, no agreement requires us to protect or defend any copyrights or you in connection with any copyrights.

Confidential Manuals

You must conduct business under your Franchise Agreement in the manner specified in the Manual or any other written or oral communication from us. We may revise the Manual from time to time, and you must comply with each new or changed standard. We will lend you a copy of the Manual after you complete our Initial Training Program. You must treat the Manual and the information contained in it, as confidential. You cannot copy these materials or show them to any unauthorized person. The Manual will remain our sole property.

Confidential Information

In general, our proprietary information includes “Confidential Information” as defined in Section 12 of the Franchise Agreement, some of which is contained in our Operations Manual, and includes, among other things, all information (current and future) relating to the operation of Shawarma Stackz Restaurants and the System, including, among other things, all: (i) manuals, training, techniques, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation of the Restaurant; (ii) designs, specifications and information about products and services and (iii) all information regarding customers and suppliers, including any statistical and/or financial information and all lists. We disclose to you Confidential Information needed for the operation of the Restaurant and you may learn additional information during the term of your franchise. We have all rights to the Confidential Information and your only interest in the Confidential Information is the right to use it under your Franchise Agreement.

We may require that you and each of your managers and employees execute covenants of confidentiality that they do not disclose any Confidential Information. We have the right to use and authorize others to use all ideas, techniques, methods and processes relating to the Restaurant that you or your employees conceive or develop.

All ideas, concepts, techniques, materials, processes, or improvements to a Shawarma Stackz Restaurant, whether or not constitutionally protectable intellectual property, and whether created by or on behalf of you, your owners, your employees, a third party, or otherwise, must be disclosed to us and will be deemed to be our property, part of the System, and works made for hire for us.

You must also promptly tell us when you learn about the unauthorized use of this proprietary information. We are not obligated to take any action, but we will respond to your notification of unauthorized use as we think appropriate.

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

The Shawarma Stackz Restaurant must be managed on a full-time basis by either you or your operating partner, who has successfully completed our mandatory training (the "Operating Partner"). "Full-time" means a minimum of 60 hours per week over a minimum of 5 days per week. The Operating Partner must hold an ownership interest of ten percent (10%) or more in the Franchised Business and must reside within 60 miles of the Restaurant. Either Franchisee or the Operating Partner must participate full-time in the operation of the Franchised Business. Either you or the Operating Partner must be personally involved on-site in the day-to-day management of the Restaurant. You must keep us informed, in writing, at all times of the identity of all management personnel (e.g., the Operating Partner and the restaurant managers) involved in the operation of the Restaurant. All Restaurant Managers must successfully complete to our satisfaction our Initial Training Program.

If you own three (3) or more Restaurants, we may, at our option, require you to engage a district manager to oversee the development and operation of the Restaurants. Such district manager will be in addition to, and not in lieu of, the Operating Partner responsible for the operation of each Restaurant.

Upon our request, you will require the following persons to execute confidentiality and non-compete covenants, in a form satisfactory to us, including covenants applicable upon the termination of a individual's relationship with you: (i) all owners of Franchisee, including officers, directors, members, partners, general partners, limited partners and holders of a beneficial interest of Franchisee, and (ii) the spouse of each such person.

If you are a corporation, partnership or limited liability company, each owner of a 10% or more interest in you and their spouse must personally guarantee your obligations under, and be personally bound by, the Franchise Agreement and all other agreements with us and agree to certain restrictions on their ownership interests. See Exhibit FA-5 of the Franchise Agreement for our standard form of guarantee.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

A fundamental requirement of you joining and remaining part of the Shawarma Stackz System will be your commitment to the operation of the Restaurant according to then-current System Standards. The Restaurant must be constructed, improved and operated only in the manner we authorize.

You must offer and sell only those goods and services that we have approved (please refer to Item 8 of this disclosure document). You must not offer or sell any products or services not approved by us. The Restaurant is to be used solely for the operation of the business licensed under the Franchise Agreement, and you cannot use or permit the use of the Restaurant for any other purpose or activity at any time without our prior written approval.

You must inventory, sell or offer for sale all menu items, products and services required by us. You must not deviate from our methods, procedures, standards and specifications, including ingredients, recipes, methods of preparation and service and product/service delivery, weight, quality and dimensions of products served. You must discontinue selling and offering for sale any menu items, products or services that we disapprove at any time. We can, add, delete or otherwise change any required menu item, products, recipes, practices or other components of the System. There are no limits on our right to do so, and, in these cases, you must, at your expense, comply with all the changes in the timeframe we specify. Your business may only be identified by the name "Shawarma Stackz" or another of the licensed marks designated in writing by us. We do not impose any restrictions as to the customers to whom you may sell or offer to sell these items, goods or services.

To promote a consistent consumer experience, and to maximize the value of limited advertising expenditures, we may require fixed minimum or maximum prices for any products or services offered by the System and the Restaurant. You are obligated to use the pricing required by us, unless we consent to changes for unique situations or to comply with laws. We have the right to change or eliminate our pricing program in the future, or to move from a required to a recommended pricing structure.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Franchise Agreement Section 3.1	The lesser of 10 years or the initial term of lease or sublease.
b. Renewal or extension of the term	Franchise Agreement Sections 3.2 – 3.5	If you are in good standing, you can renew for one additional 10-year term.
c. Requirements for franchisee to renew or extend	Franchise Agreement Sections 3.2	Give written notice, maintain possession and/or secure acceptable location, compliance with current design, operational, qualification and training standards, substantial compliance with the Franchise Agreement, sign then-current form of Franchise Agreement, pay Renewal Fee, execute General Release (Exhibit F). You must meet our then-current qualification and training requirements. We may require you and/or any of your personnel to attend and successfully complete any retraining programs(s). You must execute our then-current form of franchise agreement, which may provide materially different terms and conditions than your original franchise agreement, such as different fee requirements and renewal rights.
d. Termination by franchisee	Franchise Agreement Section 15.1	Only if we are in default. You must give us notice and an opportunity to cure any such default (subject to applicable state law.)

Provision	Section in franchise or other agreement	Summary
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Franchise Agreement Sections 15.2 and 15.3	We can terminate if you commit any of the listed violations. A default by you under the terms and conditions of the Franchise Agreement or any other such agreement, will, at our option, constitute a default under all such agreements.
g. "Cause" defined - curable defaults	Franchise Agreement Section 15.2B	You have 10 days to cure failure to pay amounts owed; 30 days for all other defaults (unless it is a non-curable default) after receipt of notice from us. A default by you under the terms and conditions of the Franchise Agreement, Area Development Agreement, or any other such agreement, will, at our option, constitute a default under all such agreements.
h. "Cause" defined - non-curable defaults	Franchise Agreement Sections 15.2A	Assignment for the benefits of creditors or inability to pay debts; bankruptcy filings; receiver appointed; abandonment, surrender or transfer of control or failure to actively operate the Restaurant; lease is terminated or not renewed; falsifies financial reports or records; repeated failures or refusals to comply with Franchise Agreement whether corrected or not; health or safety hazard; conviction of felony or misconduct affecting the reputation of the Restaurant or the Marks; unauthorized transfer; sale of products not in accordance with requirements; failure to open Restaurant; failure to comply with confidentiality and non-competition obligations; and/or failure to comply with anti-terrorism laws. A default by you under the terms and conditions of the Franchise Agreement, Area Development Agreement, or any other such agreement, will, at our option, constitute a default under all such agreements
i. Franchisee's obligations on termination/non-renewal	Franchise Agreement Section 15.6	You must cease use of our trademarks, pay all amounts owed to us, return the Manual, cancel or assign to us assumed or similar name registrations, assign to us any Internet and website home pages, domain name listings and registrations which contain our

Provision	Section in franchise or other agreement	Summary
		Marks. We may assume all telephone numbers relating to the Restaurant. You must comply with post-term covenants and furnish evidence of compliance with the above if we request. We have an option to purchase the Restaurant.
j. Assignment of contract by franchisor	Franchise Agreement Section 14.8	Fully assignable by us.
k. "Transfer" by franchisee – defined	Franchise Agreement Section 14.1	Includes transfer of any interest in the Franchise Agreement, the franchise, the Restaurant or its assets or you.
l. Franchisor approval of transfer by franchisee	Franchise Agreement Section 14.1	Transfers require our prior written consent.
m. Conditions for franchisor approval of transfer	Franchise Agreement Section 14.3	Full compliance, transferee meets standards, transferee and its owners agree to be bound by and personally guarantee your obligations under the franchise documents. If transfer is of the franchise or a controlling interest in you, the transferee must attend and satisfactorily complete training; if financed, franchisee must subordinate obligations to us; Franchisee must pay us a Transfer Fee and execute a general release (which shall be substantially similar to the form of General Release attached as Exhibit F). The Restaurant must be current or brought current with design and equipment standards.
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement Section 14.2	We have the right to match any offer. We can substitute cash for any other form of payment.
o. Franchisor's option to purchase franchisee's business	Franchise Agreement Section 15.6 E.	We have the right and option to purchase the Restaurant if the Franchise Agreement is terminated prior to its expiration date by us in accordance with the provisions of the Franchise Agreement.
p. Death or disability of franchisee	Franchise Agreement Section 14.6	Interest must be assigned to approved buyer within 6 months and we may have right to manage the Restaurant in the interim.
q. Non-competition covenants during the term of the franchise	Franchise Agreement Section 13	Neither you nor your owners nor immediate family members will have any interest as an owner or otherwise in any business principally offering products substantially similar to those being offered by the majority

Provision	Section in franchise or other agreement	Summary
		of Shawarma Stackz Restaurants or in any entity which franchises or otherwise grants others the right to sell such products. These provisions are subject to applicable state law.
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement Section 13.1	For 2 years after the expiration, termination, non-renewal or assignment, neither you nor your owners nor immediate family members will have any interest as an owner or otherwise in any business principally offering products substantially similar to those being offered by the majority of Shawarma Stackz Restaurants within a 5-mile radius of any Shawarma Stackz Restaurant, whether franchised or owned by us or any of our affiliates. These provisions are subject to applicable state law.
s. Modification of the agreement	Franchise Agreement Section 16.5	Modifications generally effective only if signed in writing, but the Manual is subject to change.
t. Integration/merger clause	Franchise Agreement Section 19	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises made outside this disclosure document and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Franchise Agreement Section 16.1	Disputes/claims are first subject to a face-to-face meeting, then non-binding mediation, and if unresolved, binding arbitration before a single arbitrator in San Diego County, California. These provisions are subject to state law.
v. Choice of forum	Franchise Agreement Section 16.2	Litigation in court of general jurisdiction closest to our then-current headquarters, subject to applicable state law.
w. Choice of law	Franchise Agreement Section 16.4	California law applies, subject to applicable state law.

AREA DEVELOPMENT AGREEMENT

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Area Development Agreement Section V	The rights granted under the Area Development Agreement expire on the date of our acceptance and signing of a Franchise Agreement for the last Shawarma Stackz Restaurant to be developed.
b. Renewal or extension of term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Not Applicable	The Area Development Agreement does not contain a provision allowing you to terminate the Area Development Agreement for any reason. Your right to terminate is subject to state law.
e. Termination by franchisor without cause	Not Applicable	The Area Development Agreement does not provide for termination without cause.
f. Termination by franchisor with cause	Area Development Agreement Section VIII	If you are in default of the Area Development Agreement, we will have cause to terminate the Area Development Agreement. A default by you under the terms and conditions of the Area Development Agreement, the Franchise Agreement, or any other such agreement, will, at our option, constitute a default under all such agreements.
g. "Cause" defined – curable defaults	Area Development Agreement Section VIII (c)	At our discretion, we may provide you an opportunity to cure a default within 30 days from your receipt of a notice of the curable default, such as your failure to meet the Development Schedule.
h. "Cause" defined – non-curable defaults	Area Development Agreement Section VIII	The Area Development Agreement will terminate automatically if you are adjudicated bankrupt or are otherwise involved in a bankruptcy proceeding, if a final judgment remains unsatisfied of record for 30 days or longer (unless bond is filed), if execution is levied against your business or property, if a mortgage or lien

Provision	Section in franchise or other agreement	Summary
		foreclosure suit is instituted against you and is not dismissed or in the process of being dismissed within 30 days, if you have failed to exercise options and enter into Franchise Agreements with us according to your Development Schedule, failed to comply with any other term or condition of the Area Development Agreement, make or attempt to make an unapproved transfer or assignment of the Area Development Agreement, or if you fail to comply with the terms and conditions of any Franchise Agreement or other agreement between you and us. A default by you under the terms and conditions of the Area Development Agreement, the Franchise Agreement, or any other such agreement, will, at our option, constitute a default under all such agreements.
i. Developer's obligations on termination/ non-renewal	Area Development Agreement Section VIII(d)	You will lose your options to establish an individual Shawarma Stackz Restaurant for which a Franchise Agreement has not been signed by us. A default under the Area Development Agreement will not be considered a default under the Franchise Agreement, unless specified otherwise. If you are in default of the Area Development Agreement but are not in default under any one or all of your Franchise Agreements, you may continue to operate the existing Shawarma Stackz Restaurant(s) under the terms of their separate Franchise Agreements.
j. Assignment of contract by franchisor	Area Development Agreement Section IX(a)	No restriction on our right to assign.
k. "Transfer" by franchisee - defined	Area Development Agreement Section IX(c)	Includes transfer of assets and all rights under the contract or change of ownership.
l. Franchisor approval of transfer by franchisee	Area Development Agreement Sections IX(c) – (d)	You are permitted to transfer to an entity owned by you. We have the right to approve all other transfers by you but will not unreasonably withhold our approval.

Provision	Section in franchise or other agreement	Summary
m. Conditions for franchisor approval of transfer	Area Development Agreement Sections IX(d) - (g)	For a transfer to a third party, the transferee must meet our qualifications, and assume all of your obligations under the Area Development Agreement, by signing an assignment and assumption agreement in a form satisfactory to Franchisor. You will pay all sums owed to us and sign an agreement containing general release, as well as pay our then-current transfer fee. You must give us 90 days written notice before any sale or assignment of the Area Development Agreement and 15 days written notice of any received offer to buy your interest in the Area Development Agreement. You must give simultaneous written notice to us of any offer to sell an interest under the Area Development Agreement made by you.
n. Franchisor's right of first refusal to acquire franchisee's business	Area Development Agreement Section IX(e)	We have the right of first refusal to purchase your ownership interest or assets which are for sale and for which you have received a good faith offer to purchase.
o. Franchisor's option to purchase franchisee's business	Area Development Agreement Section IX(e)	We have 15 days from notice of the offer to purchase your ownership interest or your assets at the same terms as contained in the offer.
p. Death or disability of franchisee	Not Applicable	See rows k., l. and m. above. While your death or disability is not specifically addressed in the Area Development Agreement, a transfer of shares upon the death of an owner of the area developer (or a transfer of the agreement upon your death if you are an individual) would be treated the same as any other transfer.
q. Non-competition covenants during the term of the franchise	Area Development Agreement Section X	You must not divert or attempt to divert any business or customer to a competitor, or perform any act which may harm the goodwill associated with the Marks and the System; employ or seek to employ any person then employed by us or another franchisee of a Shawarma Stackz Restaurant or otherwise cause that person

Provision	Section in franchise or other agreement	Summary
		to leave his or her employ; or own or otherwise have more than 5% interest in any "competitive business." You will also be bound by and comply with the covenants in each Franchise Agreement you sign with us. The covenants apply even if you have transferred your interest in the Area Development Agreement. The term "Competitive Business" means any business (other than a Shawarma Stackz Restaurant) principally offering products substantially similar to the products and services than being offered by the majority of the Shawarma Stackz Restaurants. These provisions are subject to applicable state law.
r. Non-competition covenants after the franchise is terminated or expires	Area Development Agreement Section X(b)	You must not own or operate a Competitive Business for 2 years after the Area Development Agreement is terminated within the Designated Territory or within a 5-mile radius of any Shawarma Stackz Restaurant. You will also be bound by and comply with the covenants in each Franchise Agreement signed with us. The covenants apply even if you have transferred your interest in the Area Development Agreement. These provisions are subject to applicable state law.
s. Modification of the agreement	Area Development Agreement Section XVI	The Area Development Agreement can be modified only by written agreement between us and you.
t. Integration/merger clause	Area Development Agreement Section XVI	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises made outside the Disclosure Document, Franchise Agreement, and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Area Development Agreement Section XIX	Disputes/claims are first subject to a face-to-face meeting, then non-binding mediation, and if unresolved, binding arbitration before a single arbitrator in San Diego County, California. These provisions

Provision	Section in franchise or other agreement	Summary
		are subject to state law.
v. Choice of forum	Area Development Agreement Section XIX(b)	Any action will be brought in the appropriate state or federal court nearest to our then-current headquarters (subject to applicable state law.)
w. Choice of law	Area Development Agreement Section XIX(g)	California law applies (subject to applicable state law.)

Applicable state law may require additional disclosures related to the information in this disclosure document. These additional disclosures appear in **Exhibit G,** State Specific Addenda, to this disclosure document.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of the outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Osama Shabaik, at Shawarma Stackz LLC, 9119 Clairemont Mesa Blvd, Suite G, San Diego, California 92123, (858) 208-8407, the Federal Trade Commission and any appropriate state regulatory agencies.

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ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEM-WIDE OUTLET SUMMARY
FOR YEARS 2019 TO 2021

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
FRANCHISED	2019	0	0	0
	2020	0	0	0
	2021	0	1	+1
COMPANY-OWNED*	2019	1	1	0
	2020	1	1	0
	2021	1	1	0
TOTAL OUTLETS	2019	1	1	0
	2020	1	1	0
	2021	1	2	+1

*The Company-owned Outlet is a "Tahini" brand restaurant owned and operated by our affiliate Tahini, LLC, which is substantially similar to a Shawarma Stackz Restaurant.

TABLE 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2019 TO 2021

STATE	YEAR	NUMBER OF TRANSFERS
CALIFORNIA	2019	0
	2020	0
	2021	0
TOTAL	2019	0
	2020	0
	2021	0

TABLE 3
STATUS OF SINGLE UNIT FRANCHISE OUTLETS
FOR YEARS 2019 TO 2021

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMI-NATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS -OTHER REASONS	OUTLETS AT END OF THE YEAR
CA	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMI-NATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS -OTHER REASONS	OUTLETS AT END OF THE YEAR
FL	2019	0	0	0	0	0	0	0
	2020	0	1	1	0	0	0	0
	2021	0	0	0	0	0	0	0
TOTALS	2019	0	0	0	0	0	0	0
	2020	0	1	1	0	0	0	0
	2021	0	1	0	0	0	0	1

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS*
FOR YEARS 2019 TO 2021

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
CA	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
TOTALS	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1

*The Company-owned Outlet is a “Tahini” brand restaurant owned and operated by our affiliate Tahini, LLC, which is substantially similar to a Shawarma Stackz Restaurant.

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2021

STATE	UNIT FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
CALIFORNIA	0	0	1
TOTAL	0	0	1

A list of the names, addresses and telephone numbers of our current franchisees as of the Issuance Date of this Disclosure Document is attached as **Exhibit H**.

A list of the names, addresses and telephone numbers of our franchisees who have had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this franchise disclosure document, is attached as **Exhibit I.**

Confidentiality Clauses

In the last three fiscal years, none of our franchisees have entered any confidentiality agreements that restrict their ability to speak openly about their experience with our franchise system.

Trademark-Specific Franchisee Organizations

There are no trademark-specific franchisee organizations.

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

ITEM 21 FINANCIAL STATEMENTS

Attached to this disclosure document, as **Exhibit C,** are the audited Financial Statements for our fiscal years ended December 31, 2021, December 31, 2020, and December 31, 2019.

ITEM 22 CONTRACTS

The following agreements are attached to this Disclosure Document:

Exhibit A	Franchise Agreement and Exhibits	
	FA-1(A)	The Authorized Location and Protected Area
	FA-1(B)	Map of The Protected Area
	FA-2	Electronic Funds Transfer Agreement
	FA-3	Electronic Debit Authorization
	FA-4	Telephone Numbers and Directory Listings Agreement
	FA-5	Guarantee, Indemnification and Acknowledgement
	FA-6	Addendum to Lease
	FA-7	ADA Certification Form
	FA-8	Confidentiality Agreement
	FA-9	Confidentiality and Non-Competition Agreement
Exhibit D	Statement of Prospective Franchisee	
Exhibit F	Form of General Release	
Exhibit G	State Specific Addenda	
Exhibit J	Area Development Agreement	

ITEM 23 RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are located on the last two pages of this disclosure document. Please date and sign both copies, return one copy to us and keep the other copy for your records.

Exhibit A
To Franchise Disclosure Document

LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
Commissioner of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834
Tel: (415) 972-8559
Fax: (415) 972-8590
Toll Free: (866) 275-2677
Website: https://dfpi.ca.gov
Email: Ask.DFPI@dfpi.ca.gov

CONNECTICUT
Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103-1800
Tel: (860) 240-8230

FLORIDA
Tom Kenny, Regulatory Consultant
Department of Agriculture & Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, Florida 32314
Tel: (850) 488-2221
Fax: (850) 410-3804

HAWAII
(for service of process)
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

(state agency)
Department of Commerce &
Consumer Affairs
King Kalakaua Building
335 Merchant Street, Rm 203
Honolulu, Hawaii 96813
Tel: (808)586-2722
Fax: (808) 587-7559

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

INDIANA
(for service of process)
Indiana Secretary of State
201 State House
Indianapolis, Indiana 46204

(state agency)
Securities Commissioner
Indiana Secretary of State
Securities Division, Franchise Section
302 West Washington Street,
Room E-111
Indianapolis, Indiana 46204
Tel: (317) 232-6681

IOWA
Dennis Britson
Director of Regulated Industries Unit
Iowa Securities Bureau
340 Maple
Des Moines, Iowa 50319-0066
Tel: (515) 281-4441
Fax: (515) 281-3059
email: iowasec@iid.state.ia.us

MARYLAND
(for service of process)
Maryland Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

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

MICHIGAN
(for service of process)
Michigan Department of Consumer and Industry Services
Bureau of Commercial Services
Corporations Division
PO Box 30054
Lansing, Michigan 48909
Tel: (517) 241-6470

MICHIGAN
(state agency)
Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Section
670 Law Building
Lansing, MI 48913
Tel: (517) 373-7117

MINNESOTA
Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
Tel: (651) 539-1600

NEBRASKA
Gene Schenkelberg, Securities Analyst
Department of Banking & Finance
1200 N. Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509
Tel: (402) 417-3445

NEW YORK
(Agent for Service of Process)
Secretary of State
99 Washington Avenue
Albany, NY 12231

(Administrator)
NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21St Floor
New York, NY 10005
Tel: (212) 416-8236

NORTH DAKOTA
(for service of process)
North Dakota Securities Commissioner
North Dakota Securities Department
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505-0510

(state agency)
North Dakota Securities Department
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505-0510
Tel: (701) 328-2910

OREGON
Director, Department of Consumer &
Business Services
Division of Finance & Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
Tel: (503) 378-4140
Fax: (503) 947-7862
Email: dcbs.dfcsmail@state.or.us

RHODE ISLAND
Director
Securities Division
Department of Business Regulation,
Building 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue,
Cranston, Rhode Island 02920
Tel: (401) 462 9582

SOUTH DAKOTA
Director, Department of Labor and
Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
Tel: (605) 773-3563

(continued on next page)

TEXAS
Statutory Document Section
Secretary of State
1719 Brazos
Austin, Texas 78701
Attn: Dorothy Wilson
Tel: (512) 475-1769

UTAH
Director, Division of Consumer Protection
Utah Dept. of Commerce
160 East Three Hundred South
SM Box 146704
Salt Lake City, Utah 84114-6704
Tel: (801) 530-6601
Fax: (801) 530-6001

VIRGINIA
(for service of process)
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

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

WASHINGTON
(for service of process)
Administrator
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

(state agency)
Administrator
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
Tel: (360) 902-8760
Fax: (360) 902-0524

WISCONSIN
Commissioner of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701-1768
Tel: (608) 266-2801

Exhibit B
To Franchise Disclosure Document

FRANCHISE AGREEMENT AND EXHIBITS

SHAWARMA STACKZ

FRANCHISE AGREEMENT AND EXHIBITS

TABLE OF CONTENTS

SHAWARMA STACKZ FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is made and entered into on the date executed by the Franchisor, as set forth on the last page of this Agreement, by and between Shawarma Stackz LLC, a California limited liability company, ("Franchisor") and ____ ("Franchisee"), upon the following terms, conditions, covenants and agreements:

RECITALS

A. WHEREAS, Tahini, LLC, a California limited liability company, ("Licensor") has developed and owns various business techniques and methods, trade secrets, copyrights, recipes, ingredient lists, confidential and proprietary information and other intellectual property rights (the "System") for the establishment and operation of quick-service restaurants offering authentic Middle Eastern cuisine and other cuisine, all made from scratch, ("Shawarma Stackz Restaurants") identified by the "Shawarma Stackz" trade name, logo and other trademarks and service marks and related trade dress, as licensed hereunder (the "Marks").

B. WHEREAS, the System includes the Marks and trade secrets, proprietary methods and information and procedures for the establishment and operation of Shawarma Stackz Restaurants, including, without limitation, confidential manuals (collectively, the "Manual"), recipes, ingredients, menu specifications, marketing, advertising and sales promotions, equipment, furniture and fixtures, cost controls, accounting and reporting procedures, training methods, distinctive interior design and display procedures, and color scheme and décor.

C. WHEREAS, pursuant to a written agreement dated September 1, 2019, Franchisor has licensed from Licensor the non-exclusive rights to franchise the System and the Marks in connection with its franchise program. Under its franchise program, Franchisor grants to qualified persons, who are willing to undertake the required investment and effort, a license to open and operate a Shawarma Stackz Restaurant.

D. WHEREAS, Franchisee desires to obtain a license to use the System and Marks in the development and operation of a Shawarma Stackz Restaurant at the location specified in this Agreement (the "Restaurant") under the terms and conditions of this Agreement.

E. WHEREAS, Franchisor is entering into this Agreement in reliance upon the representations of Franchisee as to itself and to the person(s) who will participate in the ownership and management of the Restaurant.

F. WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality and service and the necessity of operating the Restaurant in conformity with Franchisor's standards and specifications.

G. WHEREAS, Franchisee acknowledges having received a copy of Franchisor's Franchise Disclosure Document and having had an adequate opportunity to investigate the business contemplated by this Agreement and to discuss the terms and conditions of this Agreement with financial and legal advisors of Franchisee's choosing at least fourteen (14) calendar days prior to signing. Franchisee confirms that it is not relying upon any representation as to profits and/or sales volume that Franchisee may achieve nor upon any representations or promises by Franchisor that are not contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and of the considerations set below, the parties agree as follows:

1. GRANT OF LICENSE; LOCATION

1.1 **Grant**. Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee a franchise (the "Franchise") and non-exclusive right and license to:

A. Establish and operate a Shawarma Stackz Restaurant utilizing only the System and Marks, including, without limitation, menu items and recipes developed and approved by Franchisor, at the location authorized by Franchisor and identified in Exhibit FA-1(A), attached hereto (the "Authorized Location");

B. Use the Marks of Franchisor under the terms of this Agreement to identify and promote the Restaurant offered hereunder; and

C. Use Franchisor's proprietary business methods and know-how, as set forth periodically in the Manual, other manuals, training programs, or otherwise communicated to Franchisee.

1.2 **Authorized Location**.

A. Before Franchisor shall be obligated to consider accepting a proposed location, Franchisee must submit to Franchisor a complete report containing all information Franchisor may reasonably request concerning the proposed location including, without limitation, population density, demographics, proximity to other Shawarma Stackz Restaurants, parking, traffic flow and entrance to and exit from the site (collectively, the "Location Report"). Franchisor shall deliver to Franchisee written notice of acceptance or rejection of a proposed location within 30 days after Franchisor receives the Location Report and any other information reasonably requested by Franchisor. In the event Franchisee does not receive a response from Franchisor within 30 days, such proposed location shall be deemed rejected by Franchisor. Franchisor agrees not to unreasonably reject a site that meets its site criteria. Franchisor's acceptance of the proposed site will be effective upon Franchisor and Franchisee's execution of Exhibit FA-1(A), which is attached hereto and incorporated herein by reference, and which will set forth the Authorized Location. If the Authorized Location has not been identified at the time this Agreement is signed, Franchisee must identify a site acceptable to Franchisor within six (6) months of the execution of this Agreement in the following Designated Market Area: ____. Franchisor, at its sole discretion, shall have the right to terminate this Agreement if Franchisee does not select an acceptable site within such allotted time period.

B. Franchisee acknowledges that Franchisor's acceptance of a proposed site is permission only and not an assurance or guaranty to Franchisee of the availability, suitability or success of a location, and does not create a liability for Franchisor. While Franchisor will provide site selection assistance as specified in Section 6.1 herein, Franchisee alone is ultimately responsible for selecting and developing an acceptable location for the Restaurant. Franchisee agrees to hold Franchisor harmless with respect to the selection of the Authorized Location by Franchisee. Franchisee must obtain lawful possession of an Authorized Location by lease, purchase or other method and open for regular, continuous business within fifteen (15) months of the date that Franchisor accepts this Agreement. If, through no fault of Franchisee, the Restaurant has not opened after fifteen (15) months, but substantial progress has been made, Franchisor may, in its sole discretion, extend the period of time to open for an additional three (3) months.

1.3 **Determination of Protected Area by Franchisor**.

A. Franchisee understands and agrees that, except as expressly provided herein and in fully executed Exhibits FA-1(A) and FA-1(B), Franchisee will not receive an exclusive territory. Franchisee will receive a protected area around the Authorized Location, as defined in Exhibits FA-1(A) and FA-1(B) (the "Protected Area"), subject to the terms and conditions of this Agreement. The size of the Protected Area will vary by the market and location of the Authorized Location and will be determined solely by Franchisor on a case-by-case basis. The Protected Area will have a population of approximately 50,000 people and will typically be specified as a radius around the Authorized Location. However, Franchisor may use other boundaries in determining the Protected Area, including, but not limited to, geographical barriers, political boundaries, income levels, traffic counts, accessibility, and other characteristics of the market area. Franchisor will not establish a company-owned Shawarma Stackz Restaurant or a "Tahini" brand restaurant, which is the trade name of Franchisor's company-owned restaurants that are similar to Shawarma Stackz Restaurants, or grant a franchise to anyone other than Franchisee for the operation of a Shawarma Stackz Restaurant within the Protected Area, without Franchisee's prior written consent, so long as Franchisee shall: (i) fully comply with the methods, procedures, standards and specifications required by Franchisor in the Manual or otherwise in writing, and (ii) not violate any of the other terms and covenants of this Agreement or any other agreement with Franchisor. Franchisor may operate or grant franchises to others to operate a Shawarma Stackz Restaurant anywhere outside the Protected Area.

B. Catering and Delivery Services. Franchisee must obtain prior written approval from Franchisor to offer catering and/or delivery services from the Restaurant. Franchisor may, at its sole discretion, withhold such approval if Franchisor believes Franchisee is not capable of meeting the required standards for catering and delivery, or such activities would have an adverse impact upon the quality of the Restaurant. Franchisee must demonstrate operational proficiency, meet certain guidelines, and have appropriate equipment before receiving approval from Franchisor to provide catering and/or delivery services. If approved by Franchisor, Franchisee may accept and fulfill orders for catering and/or delivery to customers and/or recipients located within the Protected Area. Franchisee may not provide any such services to or at locations outside the Protected Area without Franchisor's prior consent, and under no circumstances may Franchisee provide any such services to customers and/or recipients located in another Shawarma Stackz Franchisee's protected area. If approved to offer catering and/or delivery services from the Restaurant, Franchisee must at all times meet the applicable standards set forth in the Manual. Franchisor, at its sole discretion, at any time and from time to time, may revoke its authorization for Franchisee to provide offsite catering and/or delivery services and may modify or reduce Franchisee's catering and/or delivery area. In such event, Franchisee agrees to promptly discontinue offsite catering and/or delivery services in the affected geographical area. Franchisee will not be entitled to any compensation for any elimination or reduction of the catering and/or delivery area. Franchisor reserves the right to require Franchisee to offer catering and/or delivery services from the Restaurant to customers and/or recipients located within the Protected Area.

C. Alternative Channels of Commerce. Except for the right to operate a single Shawarma Stackz Restaurant from the Authorized Location, Franchisee is not granted any rights to use the System and Marks in connection with any other channel of commerce or method of distribution, regardless of whether the channel or method of distribution now exists or is developed after the date of this Agreement, including, without limitation, distribution of products and/or services now, or in the future, authorized for sale at Shawarma Stackz Restaurants through supermarkets, grocery stores, convenience stores, gasoline stations, discount stores, department stores, book stores, hotels, vending carts, kiosks, stadiums, convention centers, concert halls, amusement parks, fair grounds and other areas of public gatherings, any temporary or mobile facilities, mail order facilities, Internet based facilities, direct response media, or onsite services for business locations (collectively, the "Alternative Channels of Distribution"), all such rights being retained by Franchisor. Franchisor (and those that Franchisor may appoint) retains all rights to sell "Shawarma Stackz" brand (or any other brand) products and services (whether or not competitive) to customers located anywhere using any channel of distribution, including Alternative Channels of Distribution, except for a Shawarma Stackz Restaurant or a "Tahini" brand restaurant located in Franchisee's Protected Area. Franchisee has no expectation that Franchisor will not use any particular channel of distribution, including Alternative Channels of Distribution. With respect to sales by any Alternative Channel of Distribution, there is no limitation on Franchisor's ability (and the ability of anyone Franchisor appoints) to sell to customers located anywhere.

D. Franchisor reserves all rights not expressly granted to Franchisee under this Agreement, and specifically reserves the rights to operate, or to license others to operate:

(i) any kind of business in any Protected Area awarded to Franchisee selling to customers located anywhere, whether or not using the Shawarma Stackz brand and System, except for a Shawarma Stackz Restaurant or a "Tahini" brand restaurant in Franchisee's Protected Area; and

(ii) any kind of business anywhere outside of any Protected Area awarded to Franchisee selling to customers located anywhere, whether or not using the "Shawarma Stackz" brand and System, including without limitation, Shawarma Stackz Restaurants.

E. If Franchisor chooses to grant Franchisee rights relating to an "Alternative Channel of Distribution," Franchisee shall have no protected area whatsoever with respect to such Alternative Channel of Distribution, unless a mutually executed special addendum to this Agreement specifies a protected area for an Alternative Channel of Distribution. Such a protected area, if any, shall be determined by Franchisor in its reasonable discretion.

F. Other than as expressly provided herein, Franchisee is awarded a Shawarma Stackz Franchise for a single Restaurant location only, as approved by Franchisor. In no event may Franchisee provide goods and/or services in another Shawarma Stackz Franchisee's protected area.

G. Notwithstanding anything to the contrary in this Agreement or otherwise, Franchisor and/or any of Franchisor's affiliates can acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere (including in the Protected Area), and including arrangements in which: (i) other units are (or are not) converted to a Shawarma Stackz Restaurant or other format (including using the System and/or Marks), and/or (ii) Franchisor and/or any of Franchisor's affiliates are acquired, and/or company-owned, franchised or other businesses (including a Shawarma Stackz Restaurant) are converted to another format maintained under the System or otherwise. All Shawarma Stackz Restaurants owned by Franchisee will fully participate in any such conversion, at Franchisee's sole expense; provided, however, Franchisee shall have a period of twelve (12) months to complete the conversion, and if Franchisee has commenced operations within twenty-four (24) months of the date of the notice from Franchisor or has undertaken any renovations, upgrades or capital improvements costing more than Fifty Thousand Dollars ($50,000) within twelve (12) months prior to the date of the notice from Franchisor, then Franchisee shall have a period of twenty-four (24) months to complete the conversion from the date of the notice from Franchisor; provided, further, Franchisee shall not be obliged to complete any conversions if the notice from Franchisor is delivered to Franchisee within twenty-four (24) months of the end of the term of this Agreement and this Agreement is not renewed.

H. Franchisee acknowledges and agrees that if the Shawarma Stackz System is converted to a different format or brand name, Franchisor may immediately commence to promote and market the new format and/or brand name. Franchisor may direct that funds from the Marketing Fund be used likewise, even though Franchisee defers the conversion of its Restaurant to the new format and/or brand name, and Franchisee shall be obligated to continue to make contributions to the Marketing Fund.

2. ACCEPTANCE BY FRANCHISEE

Franchisee accepts this Agreement and the license granted herein and agrees to develop and operate a Shawarma Stackz Restaurant on the terms and conditions specified herein, to comply with the Manual, standards, authorized products, food specifications and preparation, recipes, operating and business systems and all other aspects of the System prescribed by Franchisor (the "System Standards"), which are subject to change at Franchisor's discretion. Franchisee agrees to execute all exhibits, addenda, agreements and attachments to this Agreement requiring Franchisee's signature at the time of request by Franchisor.

3. TERM AND RENEWAL

3.1 **Term**. The term of this Agreement (the "Term") shall be for a period beginning on the date that it is accepted by Franchisor and ending on a date corresponding with ten (10) years after the Restaurant first opened for business; provided, however, the term of this Agreement shall be shortened (but not extended) to conform to the term of the Lease for the Authorized Location (if the Lease term expires prior to ten (10) years with no option to renew). Franchisee agrees to operate the Restaurant for the entire Term of this Agreement, unless Franchisee receives Franchisor's prior written approval to transfer its interest in the franchise pursuant to Section 14 of this Agreement, or unless the lease for the Authorized Location is terminated at no fault of Franchisee and Franchisee cannot find an alternative location to operate the franchise that is acceptable to Franchisor.

3.2 **Renewal**.

A. Unless terminated at an earlier date, upon expiration of the initial term of this Agreement, Franchisee shall have the right to renew its Shawarma Stackz Franchise for a single additional ten (10) year term, or the remaining term of the lease or sublease and any extensions, whichever is less, so long as Franchisee meets each of the following conditions:

(i) Franchisee has fully and continuously complied with this Agreement and all other agreements with Franchisor (and/or any affiliate of Franchisor), in each case without any defaults, cured or uncured, during the initial term;

(ii) Franchisee has continuously met the System Standards, as set forth in Section 8.13 of this Agreement; and

(iii) Franchisee maintains possession of the premises of the Authorized Location and, prior to any renewal term beginning, refurbishes, remodels, expands and otherwise brings the Authorized Location and its operation into full compliance with all then-applicable standards (including then-applicable design standards, including equipment) applicable to franchises awarded for new Shawarma Stackz Restaurants and in compliance with any lease or sublease requirements applicable to the Authorized Location's premises.

B. Renewal of the Franchise shall be effected by the execution by Franchisor and Franchisee of Franchisor's then-current form of franchise agreement (which may provide for higher royalty fees and advertising contributions and other significant provisions which may vary, but without any further term, successor franchise or right of renewal), general releases and all other agreements and legal instruments and documents then customarily used by Franchisor in the grant of franchises for the ownership and operation of a Shawarma Stackz Restaurant. Franchisee agrees to notify Franchisor not more than nine (9) months nor less than six (6) months prior to expiration of the Term in writing of Franchisee's election to renew this Franchise and pay the renewal fee provided for below at the same time. Failure or refusal by Franchisee to execute such agreements, instruments and documents necessary to renew this Franchise within sixty (60) days after delivery thereof to Franchisee shall be deemed an election by Franchisee not to renew this Franchise.

C. Such renewal shall only be effective when accompanied with payment of a non-refundable renewal franchise fee (the "Renewal Fee") in the amount of Ten Thousand Dollars ($10,000). Further, Franchisee (and its owners) must also execute a general release in a form approved by Franchisor releasing any and all claims, liabilities and/or obligations against Franchisor and its affiliates, officers, directors, employees, agents, successors and assigns.

D. In connection with any renewal, Franchisee must meet Franchisor's then-current qualification and training requirements. Franchisor may require Franchisee and/or any of its supervisorial or managerial personnel to attend and successfully complete any retraining program(s), and at such times and location(s), as Franchisor then specifies. The cost for any retraining required for renewal is included in the Renewal Fee, but Franchisee will be responsible for all compensation, travel, meals, lodging and other expenses of its personnel.

3.3 **Franchisor's Refusal to Renew Franchise**. Franchisor may refuse to renew the Franchise if Franchisee is in default under this Agreement, or any other agreement with Franchisor or an affiliate of Franchisor; if Franchisee has had two or more defaults, whether cured or not, during the term of this Agreement; or if Franchisee fails to satisfy any of the foregoing conditions. Subject to the above, Franchisor will not unreasonably deny renewal of this Franchise.

3.4 **Notice of Expiration Required by Law.** If applicable law requires that Franchisor give a longer period of notice to Franchisee than herein provided prior to the expiration of the initial term or any additional term, Franchisor will give such additional required notice. If Franchisor does not give such required additional notice, this Agreement shall remain in effect on a month-to-month basis until Franchisee has received such required notice. If Franchisor is not offering new franchises, is in the process of revising, amending or renewing its form of franchise agreement or disclosure document, or is not lawfully able to offer Franchisee its then-current form of franchise agreement, at the time Franchisee delivers to Franchisor a notice to renew under the terms of this Agreement, then Franchisor may, in its reasonable discretion: (i) offer to renew this Agreement upon the same terms set forth herein or (ii) offer to extend the current term on a week-to-week basis following the expiration of the Term for as long as Franchisor deems it necessary or appropriate so that Franchisor may lawfully offer Franchisee its then-current form of franchise agreement.

3.5 **Holdover.** If Franchisor permits Franchisee to continue after the Franchise and/or term would otherwise end pursuant to this Agreement, then (but without prejudice to any of the Franchisor's other rights or remedies):

(a) Franchisee must continue to operate the Restaurant on a monthly basis;

(b) Franchisee continues on the same terms and conditions so far as applicable to a monthly license as are contained in this Agreement; and

(c) the monthly license may be terminated by either party giving the other thirty (30) days' written notice, which may expire on any day.

4. TRADEMARK STANDARDS

4.1 **Name and Ownership**.

A. Franchisee acknowledges the validity of the Marks, including "Shawarma Stackz" and all other Marks that now or in the future are or will be part of the System, and agrees and recognizes that the Marks are the sole and exclusive property of Franchisor and/or the affiliates of Franchisor. Franchisee further acknowledges that Franchisee's rights to use the Marks is derived solely from this Agreement and is limited to conduct a Shawarma Stackz Restaurant pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by Franchisor from time to time. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor and its affiliates. Franchisee's use of the Marks inures to the benefit of Franchisor, which owns all goodwill now and hereafter associated with the Marks. Franchisee agrees not to contest ownership or registration of the Marks. Franchisor (and/or its affiliates) owns all right, title and interest in and to the Marks and Franchisee has and acquires hereby only the qualified license granted in this Agreement.

B. Franchisor does not have a federally registered trademark for "Shawarma Stackz" and, therefore, has no exclusive right to the use of such name. Franchisee may be prohibited from using the name "Shawarma Stackz" at the Authorized Location and in the Protected Area if a pre-existing business has a similar name in that market area. In such instance, Franchisor and Franchisee will mutually agree on an alternative name for use at the Restaurant. Franchisee acknowledges and agrees that Franchisor (and/or its affiliates) will own all rights, title and interest in any such alternative name and any related trademarks.

4.2 **Use**.

A. Franchisee shall not use any Mark as part of the name of any corporation, limited liability company or other entity that Franchisee may form, including any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee shall display and use the Marks only in the manner and form prescribed or authorized by Franchisor and shall conduct no other business than that prescribed by Franchisor. Franchisee shall not use any other mark, name, commercial symbol or logotype in connection with the operation of the Restaurant and shall not market any product from, in or in connection with the Restaurant without Franchisor's written consent, and if such consent is granted, such product must be marketed in a manner acceptable to Franchisor. Franchisor may also permit Franchisee to use from time to time other trademarks, service marks, trade names and commercial symbols as may be designated in writing. Franchisee will use or display the Marks on authorized materials and stationery used in connection with the Restaurant only as Franchisor permits and as provided in this Agreement, the Manual or any other written or oral communication to Franchisee by Franchisor. Franchisee will display the following notice in a prominent place at the Restaurant: *"The SHAWARMA STACKZ trademarks are owned by Tahini, LLC, and the independent franchised operator of this Shawarma Stackz Restaurant is a licensed user of such trademarks."*

B. Franchisee agrees to give such notices of trademark and service mark registrations and copyrights as the Franchisor specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law.

C. Franchisee is prohibited from using the Marks in advertising, promotion or otherwise, without the appropriate "©" or "®" (copyright and registration marks) or the designations "™" or "℠" (trademark and service mark), where applicable.

D. Franchisee must not establish a website, a URL, or any email accounts, using any domain name containing the Marks or any variation thereof without the prior written consent of Franchisor.

E. Franchisee and its employees and agents will not engage in any acts or conduct that impair the goodwill associated with the Marks.

4.3 **Modification, Discontinuance or Substitution**. As the System evolves over time, the current logo, trade name, and Marks may change. Franchisor reserves the right, if necessary, in Franchisor's sole judgment, to change the principal Mark(s) of the System on a national or regional basis. Upon receipt of notice of any such change from Franchisor, Franchisee shall promptly, at Franchisee's expense, adopt a new principal Mark(s) designated by Franchisor to identify the Restaurant. Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's change of any Mark. Franchisor shall have no liability for any expenses or damages incurred by Franchisee as a result of Franchisor's election to change the use of any or all of the Marks.

4.4 **Litigation**. Franchisee agrees to notify Franchisor immediately in writing if it becomes aware that any person who is not a licensee of Franchisor is using or infringing any of the Marks. Franchisee may not communicate with any person other than Franchisor and its counsel in connection with any such use or infringement. Franchisor will have discretion to determine what steps, if any, are to be taken in any instance of unauthorized use or infringement of any of its Marks and will have complete control of any litigation or settlement in connection with any claim of an infringement or unfair competition or unauthorized use with respect to the Marks. Franchisee will execute any and all instruments and documents and will assist and cooperate with any suit or other action undertaken by Franchisor with respect to such unauthorized use or infringement such as by giving testimony or furnishing documents or other evidence. Franchisor will be responsible for legal expenses incurred by Franchisor in connection with any litigation or other legal proceeding involving such third party. Franchisor shall not be liable for any legal expenses of Franchisee unless approved in writing by Franchisor in its discretion, provided that Franchisor agrees to indemnify and hold Franchisee harmless from and against any claim, liability or other obligation directly resulting from a finding by a court or arbitrator against Franchisor on a claim of infringement by a third party arising out of Franchisee's use of the Marks in a manner authorized by Franchisor.

4.5 **Franchisor's Revenues**. Franchisor and its affiliates may offer to sell to Franchisee at a reasonable profit various goods and services, and Franchisor reserves the right to receive fees or other consideration in connection with "Shawarma Stackz" sales promotion and advertising programs or from System vendors.

5. FEES

5.1 **Initial Franchise Fee.** Upon the execution of this Agreement, Franchisee shall pay to Franchisor a lump sum "Initial Franchise Fee" in the amount of Thirty Thousand Dollars ($30,000) for a single Franchise. The Initial Franchise Fee is used, among other things, to offset Franchisor's costs and expenses relating to site selection assistance [if appropriate], initial training, equipment [if appropriate], establishment of suppliers, inspection, testing and other quality control programs, design assistance, project management, initial marketing and grand opening assistance, as well as Franchisor's other costs in helping Franchisee open the franchise. The Initial Franchise Fee is payable either by cashier's check or by wire transfer and is deemed fully earned by Franchisor upon payment and is not re-fundable in whole or in part, under any circumstances.

If Franchisee enters into an area development agreement with Franchisor for the development of three (3) or more Shawarma Stackz Restaurants ("Area Development Agreement"), the Initial Franchise Fee due under this Agreement will be reduced to Twenty-Five Thousand Dollars ($25,000) for each Restaurant developed pursuant to the Area Development Agreement.

5.2 **Continuing Royalty Fee.** During the term of this Agreement**,** Franchisee agrees to pay Franchisor, without set-off, credit or deduction of any nature, a Continuing Royalty Fee, biweekly (i.e., every two weeks), in an amount equal to six percent (6%) of Franchisee's Gross Sales (as defined below in Section 5.3). The Continuing Royalty Fee shall be paid in the manner as specified in Section 5.7 of this Agreement or as otherwise directed by Franchisor. Franchisee shall submit a biweekly report (or less frequently if permitted by Franchisor) showing the computation of the Continuing Royalty Fee and all other fees and amounts payable under this Agreement upon forms prescribed by Franchisor. Franchisee shall permit Franchisor to access or "poll" by telephone, Internet or other technology, remotely or on-site, Franchisee's computer system and business records to verify the "Gross Sales" and all fees payable under this Agreement. Franchisee understands that the Continuing Royalty Fee paid by other Shawarma Stackz Franchisees may vary, and Franchisor may waive or reduce the Continuing Royalty Fee in limited instances where the venue or other circumstances warrant it in Franchisor's sole judgment.

5.3 **Definition of Gross Sales.** As used in this Agreement, the term "Gross Sales" shall mean and include the total actual gross charges for all products and services sold to customers of the Restaurant, for cash or credit, whether such sales are made at or from the premises of the Restaurant, or any other location or other channels of distribution, including, but not limited to, catering events, but excluding: sales, use, service or excise taxes collected from customers and paid to the appropriate taxing authority, and customer refunds and adjustments.

5.4 **Marketing Fund Contribution.** During the term of this Agreement, Franchisee agrees to pay to Franchisor an advertising and national marketing fund contribution (the "Marketing Fund Contribution"), at the same time and in the same manner as the Continuing Royalty Fee is paid, in an amount equal to two percent (2%) of Franchisee's Gross Sales, as defined above. The Marketing Fund Contribution shall be expended in accordance with Section 9.2 herein. Franchisee acknowledges and agrees that Franchisee's potential success requires Franchisee to expend substantially more on advertising and promotion than two percent (2%) contribution to the Marketing Fund Contribution, including, but not limited to, expenses associated with Franchisee's participation in merchandising, promotional, and other marketing programs implemented by Franchisor through the Marketing Fund or otherwise. At Franchisor's reasonable discretion, and upon thirty (30) days' notice to Franchisee, the Marketing Fund Contribution may be increased or decreased, although no increase will require Franchisee to contribute more than four percent (4%) of Franchisee's Gross Sales.

5.5 **Local Marketing/Advertising Expenses.** Franchisee agrees to spend biweekly (i.e., every two weeks) no less than one percent (1%) of its Gross Sales for the preceding two (2) calendar-week period on local advertising and promotion of the Restaurant. (See Section 9.4 for more details on Local Marketing/Advertising.) Without any obligation whatsoever to do so, Franchisor has elected to allow Franchisee to deduct the amount Franchisee spends on local marketing and advertising expenses biweekly from Franchisee's required Marketing Fund Contribution for a limited period of time while the System initially grows. Franchisor will give Franchisee 30 days written notice before the deduction is ceased and no longer permitted and, upon such notice, Franchisee agrees to pay the required biweekly Marketing Fund Contribution without any set-off, credit or deduction of any nature, for the remainder of the term of this Agreement.

5.6 **Advertising Cooperative**. If Franchisor establishes a local or regional advertising cooperative to promote Shawarma Stackz Restaurants in Franchisee's market area, Franchisee will be required to contribute to the cooperative in such amounts as are determined by the majority of its members, but, in no event, will Franchisee be required to pay more than three percent (3%) of its Gross Sales for combined Local Marketing and Cooperative Advertising. All amounts paid to an advertising cooperative will be credited toward your Local Marketing/Advertising Expenses requirement. (See Sections 9.4 and 9.5 for more details on Advertising Cooperatives.)

5.7 **Payment of the Continuing Royalty, Marketing Fund Contribution, and other Fees and Payments; Electronic Transfer**.

A. Unless Franchisor in its discretion specifies otherwise, Franchisee agrees to pay the Continuing Royalty Fee, the Marketing Fund Contribution, and all other fees or payments currently due to Franchisor, biweekly (i.e., every two weeks), on Wednesday, by pre-authorized electronic debit to

Franchisor's bank or other financial institution account. The amount of the Continuing Royalty Fee and Marketing Fund Contribution will be based on Gross Sales for the preceding two (2) calendar-week period (the "Accounting Period"). For purposes of this Agreement, each calendar week shall commence Monday at 12:01 AM and shall end at midnight the following Sunday.

B. Franchisee agrees to complete and execute the "Electronic Funds Transfer Agreement" attached to this Agreement as Exhibit FA-2 and any other form, including, without limitation, an "Electronic Debit Authorization Form," attached to this Agreement as Exhibit FA-3, prescribed by Franchisor in its discretion for the purpose of authorizing an electronic debit, and to submit any information required by Franchisor for such authorization. Franchisee agrees to execute such additional documents and agreements requested by Franchisor from time to time as may be necessary to permit Franchisor to continue to debit electronically Franchisee's bank account. By signing this Agreement, Franchisee gives authorization to permit Franchisor to debit electronically Franchisee's account. Franchisee agrees to maintain an account at a bank or other financial institution that has the capacity to perform electronic debits to its account.

C. Franchisee agrees to submit to Franchisor, by 5:00 PM (Pacific Time) on the Tuesday following the end of each Accounting Period, a report in the form specified by Franchisor that includes Gross Sales figures for the immediately preceding Accounting Period. If Franchisor does not timely receive this report, or is unable, for any reason whatsoever, to poll Franchisee's point of sale ("POS") computer system to determine Franchisee's biweekly Gross Sales figures, then Franchisor is authorized to withdraw by electronic transfer an amount from Franchisee's bank account for the Continuing Royalty Fee and the Marketing Fund Contribution for the immediately preceding Accounting Period equal to the amount withdrawn for the most recent previously reported Accounting Period, plus an additional ten percent (10%) of that amount (as an estimate of the Accounting Period's Continuing Royalty Fee and the Marketing Fund Contribution).

D. Franchisee agrees to install at its expense and use such pre-authorized payment and computerized POS systems, credit verification systems, automatic payment systems, electronic funds transfer systems, or automatic banking system, as Franchisor in its reasonable discretion may require. This requirement may be specified by Franchisor to fulfill any business purpose reasonably related to the operation of the franchise and the franchise system or to permit Franchisee to make all required payments to Franchisor by automatic bank transfer.

E. Franchisee agrees to maintain account balances sufficient to make all payments due for the Continuing Royalty Fee, Marketing Fund Contribution, and any other payments due to Franchisor by electronic transfer. Any insufficiency of funds in Franchisee's bank account shall constitute a default in payment pursuant to Section 15.2B. of this Agreement. Any charges incurred by Franchisor due to a shortage of funds in Franchisee's account shall be promptly reimbursed by Franchisee to Franchisor. Additionally, Franchisor may charge Franchisee an "Insufficient Funds Fee" in the amount of $250 per each occurrence of insufficient funds.

5.8 **Interest and Late Charges**. Amounts due to Franchisor (except interest on unpaid amounts due) not paid when due shall bear interest from the date due until paid at the lesser of one and one-half percent (1.5%) per month, or the highest rate of interest allowed by law. An administrative fee of $100 will be charged for each late payment, subject to applicable law. Franchisor may also recover its reasonable attorneys' fees, costs and other expenses incurred in collecting amounts owed by Franchisee.

5.9 **No Accord or Satisfaction; Application of Funds.**

A. If Franchisee pays, or Franchisor otherwise receives, a lesser amount than the full amount due under this Agreement for any payment due hereunder, such payment or receipt shall be applied against the longest outstanding amount due Franchisor. Franchisor may accept any check or payment in any amount without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction. Franchisor and any of its affiliates' acceptances of any payments made by Franchisee shall not be construed to be a waiver of any breach or default of any provision in this Agreement.

B. Notwithstanding any designation by Franchisee, Franchisor shall have the reasonable discretion to apply any payments made by, or on behalf of, Franchisee (and to apply any amounts owed to Franchisee or any of its affiliates by Franchisor or any of Franchisor's affiliates) to any of Franchisee's past due indebtedness for Continuing Royalty Fees, Marketing Fund Contributions, and other amounts owing to Franchisor or any of Franchisor's affiliates, interest or any other indebtedness of Franchisee or any of Franchisee's affiliates to Franchisor or any of Franchisor's affiliates. No restrictive endorsement on any check or in any letter or other communications accompanying any payment shall bind Franchisor or any of its affiliates.

5.10 **Support Fee**. If Franchisee fails to have a trained Operating Partner (defined in Section 17.2) or restaurant manager (approved by Franchisor), Franchisor may provide such qualified personnel to Franchisee to fill said vacancy and charge Franchisee a support fee equal to ten percent (10%) of the Gross Sales during the time period that Franchisor is managing the Restaurant, plus travel and living expenses, until a replacement or successor Operating Partner or restaurant manager has successfully completed training.

6. FRANCHISOR SERVICES

6.1 **Site Selection and Lease Negotiations**. Franchisee is solely responsible for locating, obtaining and evaluating the suitability and prospects of the Restaurant location, for the review and negotiation of the lease, and for hiring an attorney to review and help negotiate the lease. Franchisor shall assist Franchisee in site selection by i) providing Franchisee with Franchisor's confidential site evaluation criteria; ii) providing Franchisee with the name and contact of the suppliers for signage; iii) furnishing Franchisee with Franchisor's standard site documents, such as Franchisor's standard form of letter of intent (the "LOI"), which Franchisee is required to use, construction exhibit, lease rider and key lease points document; iv) generally consulting with and counseling Franchisee; and v) at Franchisor's discretion, conducting field evaluations of proposed sites at mutually convenient times. Franchisor reserves the right to charge a reasonable fee for performing any on-site evaluation to cover incurred expenses, including, but not limited to, travel, lodging, meals and wages. Franchisee will not lease or otherwise acquire a site for the Restaurant until the site has been accepted by Franchisor. Franchisor agrees not to unreasonably withhold approval of a site that meets its site criteria. Franchisee acknowledges that regardless of the suggestions or comments of Franchisor, or any other person/entity, Franchisee is solely accountable for the ultimate decision as to the selection of a particular location. Franchisee further acknowledges and agrees that participation, consulting or counseling by Franchisor in the site selection, letter of intent or lease process, or in making any recommendation to Franchisee as to the selection of any real estate, financial or legal professionals, consultants, brokers, engineers or contractors, shall not create any responsibility or liability for Franchisor. Franchisee acknowledges that Franchisee is solely responsible for hiring Franchisee's own financial and legal professionals, consultants, and Franchisor's designated architects, interior designers, and contractors to assist Franchisee. Franchisee agrees to hold Franchisor harmless with respect to the selection of and documentation for the Authorized Location for the Restaurant. (See Section 7.2 for requirements pertaining to the lease.)

6.2 **Unit Development: Design and Layout, Maintenance, Alterations, and Refurbishment.**

A. In order to maintain consistency of facility design, trade dress, construction quality, Restaurant image and goodwill associated with the Shawarma Stackz name and Marks, Franchisee is required to use exclusively Franchisor's designated and/or approved suppliers ("Designated Suppliers") for architectural and design services, and signage. Franchisor shall provide Franchisee with information regarding one or more such Designated Suppliers for each such product/service, and Franchisee shall retain their services, as provided in this Section and in Section 6.8.

B. After Franchisee has executed a lease for the Restaurant, Franchisor shall provide Franchisee with Franchisor's standard specifications for the design and layout of a typical Shawarma Stackz Restaurant and required leasehold improvements. Franchisor will arrange to have an architect that it designates (the "Designated Architect") provide Franchisee, at Franchisee's sole expense, with a preliminary layout and design ("test fit") for the Restaurant. Franchisor recommends that Franchisee have a test fit done prior to lease execution, especially if the location is not a standard size or shape for a Shawarma Stackz Restaurant. Upon receipt by Franchisee of the test fit and after Franchisor's approval, Franchisee shall have the Designated Architect prepare a complete set of site-specific, architectural design drawings, including the mechanical, plumbing, electrical and other applicable plans, (the "architectural drawings") for the Restaurant, which shall be consistent with the test fit and shall be in compliance with Franchisor's standards and specifications. Franchisee is solely responsible for the costs of the preparation and completion of Franchisee's architectural drawings and other services, as agreed upon directly between Franchisee and the Designated Architect. Franchisee agrees to make no changes, alterations or modifications whatsoever to the original test fit or architectural drawings without obtaining prior written consent from Franchisor. If there is a conflict between Franchisee and Franchisor regarding the test fit or any other section(s) of the architectural drawings of the Restaurant, Franchisor's decision shall control. Franchisee's obligations pertaining to the construction and development of the Restaurant are set forth in Section 7.2

6.3 **Initial Training**.

A. Prior to the opening of the Restaurant and at no charge beyond the Initial Franchise Fee, Franchisor will provide initial training (the "Initial Training") at its training facility located in San Diego, California and at Franchisee's Restaurant or other restaurant designated by Franchisor. The Initial Training will be provided to Franchisee (or the Operating Partner, as identified in Section 17.2), the Restaurant's general manager, and up to two (2) additional supervisorial or managerial personnel from Franchisee's Restaurant; provided, however, Franchisee and the Restaurant managers must attend such training simultaneously. Franchisee may have additional employees attend the Initial Training for an

"Additional Training Fee" of $3,000 per person. Franchisee (or the Operating Partner) and the Restaurant's general manager must successfully complete the Initial Training to Franchisor satisfaction, and any additional required training, and comply on an ongoing basis with all ongoing/refresher training requirements, which includes attendance at all scheduled training days and times, as communicated in advance of the training, within the timeframe established by Franchisor.

B. The length of the Initial Training is estimated to be seventeen (17) days, with approximately eight (8) hours of training per day, for Franchisee (or its Operating Partner) and the Restaurant managers, including the general manager, and will depend on the trainee's prior experience. The Initial Training is scheduled at Franchisor's discretion and consists of a combination of online training, classroom training at Franchisor's headquarters or such other facility as designated by Franchisor, and on-the-job training conducted at Franchisee's Restaurant or other restaurant designated by Franchisor. The Initial Training will cover basic aspects of establishing and operating a Shawarma Stackz Restaurant, including general business strategies, food preparation techniques, recipes, the POS Computer System, forms, cost control, purchasing, inventory control and disposition, customer service, marketing, selling skills, training and scheduling procedures, job functions and maintenance of quality standards.

C. All of the Initial Training is mandatory for Franchisee (or the Operating Partner) and the Restaurant's general manager. Franchisee is responsible for all travel, lodging, food, wages, wage related expenses and other expenses in connection with the Initial Training for itself, its Operating Partner, the restaurant managers, and any other employee of Franchisee who attends the training.

D. If Franchisee (or its Operating Partner) does not satisfactorily complete the Initial Training, then Franchisor shall have the option, at Franchisor's sole discretion, to (1) extend the Initial Training for Franchisee (or its Operating Partner) and allow Franchisee additional time to successfully complete the Initial Training, or (2) terminate this Agreement.

E. Franchisee agrees to require any and all general managers employed after the Restaurant is opened to complete the Initial Training. Such new restaurant managers must attend and complete the next available classes offered by Franchisor following the commencement date of his/her employment. Franchisor, at its sole discretion, may choose to allow Franchisee to provide Initial Training to new managers at the Restaurant if Franchisor believes Franchisee is capable of adequately conducting the required Initial Training.

F. If Franchisee is an existing Shawarma Stackz Franchisee, Franchisor may elect, at its sole discretion, to reduce the amount of required Initial Training for Franchisee.

G. In the event that Franchisee finds it necessary to replace its Operating Partner, Franchisee shall be required to designate a new Operating Partner within 30 days, submit the proposed replacement's qualifications to Franchisor for approval, and have the new Operating Partner attend and satisfactorily complete the Initial Training at the next available classes offered by Franchisor.

H. If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of Franchisor's control, Franchisor reserves the right to conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences.

6.4 **Additional Training, Refresher Training, and Meetings**.

A. If at any time after completion of the Initial Training, Franchisee requests additional training for Franchisee or any of its employees, or if Franchisee employs a new Restaurant general manager or selects a new Operating Partner, Franchisee shall pay Franchisor the then-current Additional Training Fee for Initial Training for such additional training. Franchisee is responsible for all travel, lodging, food, wages, wage related expenses and other expenses in connection with the Initial Training for the Operating Partner and/or Restaurant managers.

B. Franchisee agrees to attend, at its sole expense, refresher training or new training offered by Franchisor, as Franchisor may reasonably require, to correct, improve and/or enhance the operation of the Restaurant. Franchisor, in its sole discretion, shall designate the location where such refresher training will be held, which may be a Shawarma Stackz Restaurant, the Restaurant, or any other location Franchisor designates. Franchisee must pay the then-current "Daily Training Fee" for each trainer provided by Franchisor to conduct the refresher training. Additionally, if such refresher training is held at the Restaurant, Franchisee shall pay all reasonable and customary business travel and living expenses incurred by Franchisor's trainers while conducting the training at the Restaurant.

C. Franchisee agrees to attend, at its sole expense, all annual and other meetings, conventions, and conference calls of franchisees that Franchisor determines are mandatory for all franchisees, or groups of franchisees (as designated by Franchisor in its reasonable discretion).

6.5 **Restaurant Opening and Operating Assistance**.

A. Franchisee agrees to use its best efforts to stock, furnish and equip the Restaurant as soon as possible after obtaining possession of the Restaurant premises and to open the Restaurant for business and commence the conduct of its business by the period required by Franchisee's lease or sublease or, if sooner, within three (3) days after notice from Franchisor that it is in suitable condition therefore.

B. If the Restaurant is Franchisee's first Shawarma Stackz Restaurant, Franchisor will provide one (1) trainer to assist Franchisee in the opening of the Restaurant for approximately five (5) days at no charge to Franchisee. If Franchisee owns and operates multiple Shawarma Stackz Restaurants, Franchisor may, at its sole discretion, provide less onsite opening assistance. If Franchisee is an existing franchisee, Franchisor will provide such opening assistance as Franchisor deems necessary, based on Franchisee's experience in the System and ability to conduct its own training. Notwithstanding the forgoing, Franchisor will always have at least one representative at all new Restaurant openings.

C. Franchisor may advise Franchisee from time to time of operating problems of the Restaurant disclosed by reports submitted to or evaluations made by Franchisor. Further, Franchisor may furnish to Franchisee such assistance in connection with the operation of the Restaurant as is from time to time deemed appropriate by Franchisor. Operating assistance may consist of advice and guidance with respect to:

(i) standards, specifications, methods and operating procedures utilized by a Shawarma Stackz Restaurant;

(ii) additional products and services authorized for a Shawarma Stackz Restaurant;

(iii) purchasing of products and supplies;

(iv) formulating and implementing advertising, merchandising and promotional programs; and

(v) the establishment of administrative, bookkeeping, accounting, inventory control, sales training and general operating procedures for the proper operation of a Shawarma Stackz Restaurant.

D. Franchisee understands and agrees that all advice and guidance provided by Franchisor is only supportive of the operation of the Restaurant and that the overall success of the Restaurant is primarily dependent upon Franchisee's business abilities and efforts. Franchisor will not charge Franchisee for such operating assistance unless such operating assistance is made necessary by Franchisee's failure to comply with this Agreement or if Franchisee requests operating assistance in excess of what is normally provided by Franchisor. Any such charges will be commercially reasonable and payable upon Franchisee's receipt of an invoice for the same.

6.6 **Operations Manual**. Franchisor will lend Franchisee (or allow Franchisee electronic or other access to) one copy of the Manual during the term of this Agreement, which contains mandatory and suggested specifications, standards and operating procedures prescribed by Franchisor. For purposes of this Agreement, the Manual means the entire collection of manuals, guidelines, standards and specifications provided to Franchisee in connection with the development, construction and operation of Franchisee's Restaurant. The Manual may be electronic, accessible via the internet or other means, or in physical form, or both. Franchisee acknowledges that Franchisor may from time to time revise the contents of the Manual, and Franchisee agrees to comply with each new or changed standard and specification upon notice from Franchisor. Any required specifications, standards, and/or operating procedures exist to protect Franchisor's interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those day-to-day operational matters that are reserved to Franchisee. If Franchisor distributes the Manual in both hard-copy and electronic form, the electronic version shall control in the event of any conflict between the two versions. The Manual shall remain the sole property of Franchisor and shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the termination, expiration, or non-renewal of this Agreement. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained at Franchisor's principal office shall be controlling.

6.7 **Continuing Services**. Franchisor shall provide such continuing advisory assistance and information to Franchisee in the operation of the Restaurant as Franchisor deems advisable. Such assistance may be provided, in Franchisor's discretion, by Franchisor's directives, Systems bulletins, web-based training modules, meetings and seminars, telephone, computer, e-mail, fax, personal visits, newsletters or manuals. Franchisor may provide regular consultation and advice to Franchisee in response to inquiries from Franchisee regarding administrative and operating issues that Franchisee brings to Franchisor's attention. Franchisor may make recommendations that it deems appropriate to assist Franchisee's efforts. However, Franchisee alone will establish all requirements, consistent with Franchisor's policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom Franchisee will offer and sell its products and services; and (iii) the suppliers from whom Franchisee obtains any products or services used in or at the Restaurant for which Franchisor has not established approved or designated suppliers. The rendering of any consultation, advise, assistance, consent, approval or services by Franchisor, as set forth in this Agreement, does not constitute any assurance or guaranty that such consultation, advice, assistance, consent, approval or services will result in any level of success of Franchisee's business. Any Franchisor services set forth in this Agreement may be provided by Franchisor and/or representative(s) or designee(s) of Franchisor.

6.8 **Approved/Designated Suppliers and Products/Services**.

A. Franchisor shall provide and from time to time, add to, alter or delete, at Franchisor's discretion, lists of specifications, approved distributors and suppliers, approved services, products, materials and supplies, and training that may benefit Franchisee in the operation of the Restaurant. Franchisor has the right to require that Franchisee obtain products/services specified by Franchisor from time to time exclusively from suppliers designated or approved by Franchisor. Franchisor has the right to designate or approve a single supplier or multiple suppliers for any specified product/service and to designate a single supplier as an exclusive supplier of a required product or service. Suppliers may include, and may be limited to, Franchisor and/or companies affiliated with Franchisor. Franchisee must not offer or sell any products or services not approved by Franchisor. If Franchisor disapproves a particular item, Franchisee will not use it.

B. Designation or approval of a supplier may be conditioned on factors established by Franchisor as it considers appropriate, including without limitation performance relating to frequency of delivery, standards of service, inability to maintain quality/adequate supply of goods, inability to meet or maintain acceptable pricing, and payment or other consideration to Franchisor or parties designated by Franchisor. Franchisor can approve, or revoke or deny approval, of particular items or suppliers in its reasonable discretion. Franchisor and its affiliates reserve the right to receive rebates, incentive amounts, discounts and other economic benefits from any supplier and have the right to realize a profit on the sales of products and/or services to Franchisee.

6.9 **Pricing.** Franchisor has developed an image that is based in part on consistent and reasonable prices for products and services offered by the System. To promote a consistent consumer experience, and to maximize the value of limited advertising expenditures, Franchisor may require fixed minimum or maximum prices for any products or services offered by the System and Franchisee, subject to applicable state law. Franchisee is obligated to use the pricing required by Franchisor, unless Franchisor consents to changes in local pricing offered by Franchisee in order to (i) allow Franchisee to respond to unique, local, marketing conditions, competition, or expenses; or (ii) comply with changes or interpretations in State or Federal anti-trust laws. Consistent with State or Federal law, Franchisor reserves the right to change or eliminate its pricing program in the future, or to move from a required to recommended pricing structure. Franchisee acknowledges and agrees that any maximum, minimum or other prices Franchisor prescribes or suggests may or may not optimize the revenues or profitability of the Restaurant, and Franchisee irrevocably waives any and all claims arising from or related to Franchisor's prescription or suggestion of the Restaurant's retail prices.

6.10 **<u>Marketing Fund</u>.** Franchisor will institute, maintain and administer a Marketing Fund for such advertising or public relations programs as Franchisor, in its discretion, may deem necessary or appropriate to advertise and promote the Shawarma Stackz Restaurants pursuant to Section 9.2 of this Agreement.

6.11 **<u>Grand Opening Advertising Assistance</u>.** Franchisor shall consult and advise Franchisee on the advertising, marketing and promotion for the Grand Opening of the Restaurant.

6.12 **<u>Franchisor Services</u>.** The rendering of any Franchisor consultation, advise, assistance, consent, approval or services set forth in this Agreement does not constitute any assurance or guaranty that such consultation, advice, assistance, consent, approval or services will result in any level of success of Franchisee's business. Any Franchisor services set forth in this Agreement may be provided by Franchisor and/or representative(s) or designee(s) of Franchisor.

7. FACILITY STANDARDS, LEASE, DEVELOPMENT, AND FRANCHISEE'S RESPONSIBILITIES

7.1 **<u>Facility Standards</u>.** Franchisee acknowledges and agrees that the Restaurant must meet the following conditions:

A. The Restaurant shall be laid out, designed, constructed or improved, equipped and furnished, including signage, in accordance with Franchisor's standards and specifications and supplier requirements. Equipment, furnishings, fixtures, decor and signs for the Restaurant shall be purchased from suppliers designated and/or approved by Franchisor. Although Franchisor may set a specification or require use of an approved supplier in its sole discretion, Franchisor makes no representations or warranties about the specification, or about the goods or services provided by such supplier. Franchisor is not liable for any damages, injuries or losses caused by or due to the actions, services or products supplied to Franchisee from any third-party supplier approved by Franchisor. Franchisee acknowledges that it is responsible for supervising the build-out of the Restaurant and the installation of equipment, fixtures and signage. Franchisee may remodel or alter the Restaurant, or change its equipment, signage, furniture or fixtures, only with Franchisor's written consent. Franchisee must obtain necessary permits, licenses and other legal or architectural requirements. The Restaurant shall contain or display only signage obtained from Franchisor's Designated Supplier, produced according to designs approved by Franchisor, and using only the type and style of menu board designated by Franchisor.

B. The Restaurant shall be maintained in accordance with standards and specifications established by Franchisor or prescribed after inspection of the Restaurant. Franchisee shall promptly repair or replace defective or obsolete equipment, signage, fixtures or any other item of the interior or exterior that is in need of repair, refurbishing or redecorating in accordance with such standards established (and updated from time to time) by Franchisor or as may be required by Franchisee's lease.

C. Franchisor may place in a conspicuous location signage, language and informational materials, including, without limitation, a brochure rack on the customer counter and various signage and/or language on the front doors and/or windows relating to its franchise opportunities at any time during the term of this Agreement and any extensions to this Agreement.

D. The Restaurant shall contain signage prominently identifying Franchisee by name as an independently owned and operated franchisee of Franchisor, in a form and manner determined by Franchisor, in its reasonable discretion.

E. Franchisee's business and the Restaurant shall be identified only by those Marks approved in writing by Franchisor with at least one outside sign as designated by Franchisor.

7.2 **Franchisee's Lease.**

A. Franchisee agrees that prior to submitting the LOI, as defined in Section 6.1, to the landlord for the proposed leased premises for the Restaurant, Franchisee shall complete the following actions at Franchisee's sole cost and expense:

1. Franchisee shall submit a completed Location Report to Franchisor;

2. Franchisee shall provide Franchisor and the Designated Supplier of signage services with landlord's approved sign criteria for the proposed premises; and

3. Franchisee shall use Franchisor's standard form of LOI for the location. If Franchisee modifies the standard form in any way, Franchisee must submit the modified LOI to Franchisor and give Franchisor an opportunity to review such modified LOI to determine if it satisfies Franchisor's then-current site leasing criteria.

B. Franchisee acknowledges and agrees that Franchisee is solely responsible for leasing a suitable site for the Restaurant. Franchisee acknowledges and agrees: (1) that Franchisor's Approved Sign Criteria, Approved Sign Plan, and required lease terms are important for the successful operation of Franchisee's business; (2) that although Franchisor may advise and consult with Franchisee regarding the site selection, the LOI and the lease, Franchisee shall hold Franchisor harmless with respect to Franchisee's selection and development of a site and for the terms of the lease negotiated by Franchisee; and (3) that it is Franchisee's sole responsibility to negotiate the LOI and the lease for Franchisee's Restaurant, according to terms acceptable to Franchisor.

C. Prior to executing the lease for the Authorized Location, Franchisee shall provide Franchisor with an execution-ready copy of such lease, with all exhibits and attachments thereto, for Franchisor's review. Franchisor will not withhold consent arbitrarily; however, any lease must contain substantially the following provisions: (1) "The leased premises will be used only for the operation of a Shawarma Stackz Restaurant;" (2) "The employees of Franchisor will have the right to enter the leased premises to make any modifications necessary to protect the System and proprietary marks thereof;" (3) "Lessee agrees that Lessor may, upon request of Franchisor disclose to said Franchisor all reports, information or data in lessor's possession with respect to sales made in, upon or from the leased premises;" and (4) a conditional assignment clause to be contained in a lease addendum, in a form approved by Franchisor, which shall provide that Franchisor (or its designee) may, upon termination, expiration, non-renewal or proposed assignment of this Agreement, at Franchisor's sole option, take an assignment of Franchisee's interest thereunder, without the consent of the Lessor or property owner, without liability for accrued obligations, payment of additional consideration or increase in rent, and at any time thereafter, reassign the lease to a new franchisee. Franchisor's execution of this Agreement is conditioned upon the above-referenced lease addendum in the form attached hereto, as Exhibit FA-6

("Addendum to Lease"), which shall be signed by Franchisee and attached and made part of the lease for the Restaurant

D. Franchisee may not terminate, renew or in any way alter or amend the lease for the Restaurant during the term thereof, or any renewal term thereof, without Franchisor's written consent, except as otherwise provided in this Agreement. Franchisee may not sublicense or assign rights granted in this Agreement except in accordance with Article 14.

E. Franchisee's execution of a lease for the Restaurant shall constitute selection by Franchisee of such site and location and the terms of such lease, and Franchisee shall be solely responsible, therefore.

F. Franchisee shall provide Franchisor with a copy of Franchisee's fully executed lease with all exhibits and attachments thereto for the Restaurant promptly after execution.

G. Franchisee acknowledges that Franchisee has been advised to have any lease reviewed by Franchisee's own legal counsel.
B.

7.3 **Facility Development**

A. Prior to execution of the lease, Franchisee shall obtain from the Designated Supplier for signage a "Shawarma Stackz" sign drawing that meets all of Franchisor's specifications and is specific to the Authorized Location (the "Approved Sign Criteria"). Franchisee must obtain a final approved sign plan from Franchisor and/or its designee (the "Approved Sign Plan"). Franchisee shall then cause the Approved Sign Criteria and Approved Sign Plan to be incorporated into the lease executed by Franchisee and landlord for the Authorized Location. Franchisee shall, at Franchisee's sole cost and expense, immediately remove and replace any sign at the Authorized Location that does not meet Franchisor's Approved Sign Criteria and Approved Sign Plan.

B. Franchisee agrees that after executing the lease for the Authorized Location, Franchisee shall promptly complete the following actions for the Restaurant, at Franchisee's sole expense:

1. Franchisee shall retain the services of the Designated Architect, as provided in Section 6.2, above. Franchisee shall provide the Designated Architect with landlord's detailed, "as built" construction drawings and a detailed site plan for the leased premises for the Restaurant;

2. Franchisee shall obtain from a Designated Architect a preliminary Restaurant layout and design (the "test fit") for the Restaurant for the fee described in Section 6.2;

3. Franchisee is responsible for ensuring that all requisite drawings, designs, plans and specifications for the Restaurant are in accordance with Franchisor's specifications and standards;

4. Franchisee shall submit to Franchisor, the landlord, and local authorities for approval, all requisite drawings, designs, plans and specifications;

5. Franchisee shall obtain approval of such requisite drawings, designs, plans and

specifications from Franchisor, the landlord, and local authorities prior to commencement of construction of the Restaurant;

6. Franchisee is responsible for selecting and employing a qualified commercial, licensed contractor, who Franchisor must approve (the "Approved Contractor"), to construct or remodel the Restaurant in accordance with the approved requisite drawings, designs, plans and specifications. Franchisor has the right to either approve or disapprove of any proposed contractor selected by Franchisee;

7. Franchisee shall obtain all permits and certifications required for lawful construction and operation of the Restaurant, including, without limitation, zoning, building, access, sign, fire and health requirements;

8. Franchisee shall obtain or require the Approved Contractor to obtain payment and performance bonds;

9. Franchisee shall obtain all customary contractor's sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services for the Restaurant;

10. Franchisee shall obtain or have the Approved Contractor obtain Builders Risk Insurance naming Franchisee as a loss payee;

11. Franchisee shall start and complete the construction or remodeling of the Restaurant in full and strict compliance with plans and specifications, including, without limitation, the Approved Sign Plan and any signage specifications approved by Franchisor, the landlord, and local authorities and with all applicable ordinances, building codes and permit requirements;

12. Franchisee shall purchase or lease, in accordance with Franchisor's standards and specifications and from suppliers approved by Franchisor, all equipment, furniture, fixtures, menu boards, inventory, supplies and signs required for the Restaurant;

13. Franchisee shall train the Restaurant operating personnel in accordance with Franchisor's standards and specifications;

14. Franchisee shall complete development of and have the Restaurant open for regular, continuous business no later than fifteen (15) months after the date that Franchisor accepts this Agreement unless Franchisor extends the opening date, as provided in Section 1.2B., but in no event later than eighteen (18) months after the date that Franchisor accepts this Agreement; and

15. Franchisee shall not later than ninety (90) days after the Restaurant opens for business, furnish to Franchisor an itemized breakdown of the costs incurred by Franchisee in developing the Restaurant, including, without limitation, design, construction, equipment, furniture, fixtures, signage, inventory and supplies.

7.4 **Franchisee Responsibility.** Notwithstanding the foregoing, Franchisee acknowledges and agrees that although: (1) Franchisor and/or Designated Suppliers may provide Franchisee with various standard or sample plans, guidelines, and specifications, construction management services, a Shawarma Stackz Restaurant layout and design (test fit), architectural plan, Franchisor's Approved Sign Criteria and site specific sign drawings (collectively referred to as the "Restaurant Development Information") with respect to constructing, furnishing and equipping a Shawarma Stackz Restaurant, and (2) Franchisor may designate and/or recommend various architects, interior designers, contractors, construction management services companies, signage companies, and other consultants and professionals, it is Franchisee's sole responsibility to hire and pay for all consultants and professionals and to design, supervise, construct, furnish and equip the Restaurant, including signage, in compliance with all applicable federal, state and local laws and regulations, including, without limitation, all building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health laws, sanitation laws, Americans with Disabilities Act, and any other requirements that may be prescribed by any federal, state or local governmental agency. Franchisee agrees to execute the ADA Certification Form attached to this Agreement as Exhibit FA-7. Franchisor makes no representations or warranties that any of the Restaurant plans, specifications, guidelines, design, construction, or other development information provided to Franchisee comply with such laws and regulations and is not acting as a general contractor or providing construction advice to Franchisee. Franchisee agrees to indemnify, defend, and hold harmless Franchisor and Franchisor's affiliated companies, and the officers, directors, shareholders, managers, members, employees, agents, attorneys and representatives of Franchisor and each such affiliated company (collectively referred to as the "Franchisor Affiliates"), with respect to claims, damages or liability, (including, but not limited to, any claims of vicarious or other liability) arising with respect to the selection of any Designated Suppliers and any other contractor, consultant or professional retained by Franchisee or with respect to any Restaurant plans, specifications, guidelines or other development information provided by Franchisor, Franchisor's Designated Architect, Designated Interior Designer, any Designated Supplier of construction management services or Designated Supplier of signage services, or other representatives of Franchisor, and with respect to the constructing, designing, furnishing and equipping, including signage, of Franchisee's Restaurant.

7.5 Maintenance, Alterations, and Refurbishment

A. Franchisee agrees to maintain the condition and appearance of the Restaurant consistent with Franchisor's image standards and specifications for a Shawarma Stackz Restaurant, including, but not limited to, cleanliness, offering high quality products, efficient and courteous service, and a pleasant ambiance. Franchisee agrees to effect such maintenance of the Restaurant as is reasonably required from time to time to maintain such condition, appearance and efficient operation, including, without limitation, replacement of worn out or obsolete fixtures, equipment and signs, repair of the interior and exterior of the Restaurant and periodic cleaning and decorating and as is required by Franchisee's lease or sublease. Franchisee shall also replace and/or add additional fixtures and equipment that Franchisor may require to be installed in all Shawarma Stackz Restaurants during the Term. If at any time in Franchisor's reasonable judgment the general state of repair, appearance or cleanliness of the premises of the Restaurant or its fixtures, equipment or signs does not meet Franchisor's standards, Franchisor shall so notify Franchisee, specifying the action to be taken by Franchisee to correct such deficiency. If Franchisee fails or refuses to initiate a bona fide program to undertake and plan to complete any such required maintenance within fifteen (15) days after receipt of such notice or such lesser period required by the lease or sublease, Franchisor shall have the right (in addition to its rights under Section 15), but shall not be obligated, to enter upon the premises of the Restaurant and effect such repairs, painting and replacement of fixtures, equipment or signs on behalf of Franchisee and Franchisee shall pay the entire costs therefor to Franchisor on demand.

B. Franchisee shall make no material alterations to the leasehold improvements or appearance of the Restaurant nor shall Franchisee make any material replacements of or alterations to the fixtures, equipment or signs of the Restaurant without prior written approval by Franchisor and any approval that may be necessary under the lease or sublease for the premises.

C. In addition to Franchisee's obligations under Section 7.5 A. hereof, at Franchisor's request, which shall not be more than once every five (5) years, Franchisee shall refurbish the Restaurant at its own expense to conform to the building design, trade dress, color schemes, and presentation of the Marks in a manner consistent with the image then in effect for new Shawarma Stackz Restaurants under the System, including, without limitation, remodeling, redecoration, structural changes, and modifications to, or replacement of, existing improvements and equipment. Franchisee will not be required to refurbish the Restaurant if Franchisee has less than two (2) years remaining on the lease or sublease for the premises.

8. FACILITY IMAGE AND OPERATING STANDARDS

8.1 **Compliance**. Franchisee acknowledges and agrees that every detail regarding the appearance and operation of the Restaurant is important to Franchisor, the System and to other Shawarma Stackz Franchisees in order to maintain high and uniform operating standards, to increase demand for the products and services sold by all franchisees, and to protect Shawarma Stackz' reputation and goodwill, and accordingly, Franchisee agrees to comply strictly at all times with the requirements of this Agreement and Franchisor's standards and specifications, (whether contained in the Manual or any other written or oral communication to Franchisee by Franchisor) relating to the appearance or operation of the Restaurant. Franchisee further agrees to promptly implement any changes in operational and facility requirements when prescribed by Franchisor, even should additional investment or expenditures be required. Franchisee acknowledges that other Shawarma Stackz Restaurants may operate under different forms of agreement with Franchisor, and that the rights and obligations of parties to other agreements may differ from those hereunder.

8.2 **Franchisor's Right to Inspection**. Franchisor's authorized representatives will have the right to enter the Authorized Location and the Restaurant at any time during business hours, and without prior notice to Franchisee, for the purposes of: (i) examining same; (ii) conferring with Franchisee's employees; (iii) inspecting and checking operations, food, beverages, furnishings, interior and exterior decor, supplies, fixtures, and equipment; (iv) removing samples for testing and analysis; (v) interviewing customers; (vi) conducting inventories; (vi) using "mystery shoppers," who may pose as customers and evaluate Franchisee and Franchisee's operations; and (vii) determining whether the business is being conducted in accordance with this Agreement, the System and the Manual. Franchisee agrees to fully cooperate in connection with such matters. Franchisor will conduct a minimum of two (2) such evaluations each year and reserves the right to conduct evaluations on a more frequent basis, in its reasonable discretion. If any such inspection indicates any deficiency or unsatisfactory condition with respect to any matter required under this Agreement or the Manual, including but not limited to quality, cleanliness, service, health and authorized product line, Franchisor will notify Franchisee in writing of Franchisee's non-compliance with the Manual, the System, or this Agreement. Franchisee shall have 24 hours after receipt of such notice, or such other greater time period as Franchisor may provide, at its reasonable discretion, to correct or repair such deficiency or unsatisfactory condition. If Franchisee fails or refuses to correct the non-compliance within the required period of time, Franchisor shall have the right, in addition to all other remedies, to take such corrective action as is, in the sole determination of Franchisor, necessary and appropriate to bring the Restaurant in compliance with Franchisor's specifications, standards, methods, policies and procedures, and Franchisee shall pay the entire cost thereof to Franchisor on demand.

8.3 **Franchisor's Notice of Deficiency**. If Franchisor issues to Franchisee a notice of default, Franchisor will have the right (but not the obligation), in addition to all other remedies, to take such corrective action as is, in the sole determination of Franchisor, necessary and appropriate to bring the Restaurant in compliance with Franchisor's specifications, standards, methods, policies and procedures; provided that Franchisor will not initiate any such action in connection with any default under Section 15.2B. until the applicable cure period has expired. Franchisee shall pay the entire cost thereof to Franchisor on demand.

8.4 **Adherence to Good Business Practices**. Franchisee shall adhere to good business practices, observing high standards of honesty, integrity, fair dealing and ethical business conduct in all business dealings with customers, employees, vendors and Franchisor.

8.5 **Personnel.** Franchisee agrees to employ in the operation of the Restaurant only persons of high character and ability who maintain and exhibit traits of enthusiasm, cleanliness, neatness, friendliness, honesty and loyalty, it being recognized by Franchisee that such persons are necessary in order to promote and maintain customer satisfaction and the goodwill of the Shawarma Stackz Restaurants. Franchisor may require Franchisee to use at Franchisee's expense various human resources products/services to assist Franchisee in meeting such employment objectives. Franchisee agrees to staff the Restaurant at all times with a sufficient number of qualified, competent personnel who have been trained in accordance with Franchisor's standards and who shall wear Franchisor approved uniforms during working hours. All employees Franchisee hires or employs at the Restaurant will be Franchisee's employees and Franchisee's employees alone, and will not, for any purpose, be deemed to be Franchisor's employees or subject to Franchisor's direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. Franchisee will file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for its employees and operations. Franchisor will not have the power to hire or fire Franchisee's employees. Franchisor's authority under this Agreement to train and approve Franchisee's supervisorial or managerial personnel for qualification to perform certain functions at the Restaurant does not directly or indirectly vest Franchisor with the power to hire, fire or control any of Franchisee's personnel. Franchisee will be solely responsible for all hiring and employment decisions and functions relating to the Restaurant, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether you have received advice from us on these subjects or not. Franchisee shall engage in no discriminatory employment practices and shall in every way comply with all applicable laws, rules and regulations of federal, state and local governmental agencies. Franchisee agrees to make all necessary filings with, and to pay all taxes and fees due to, the Internal Revenue Service and all other federal, state and local governmental agencies or entities to which filings and payments are required. Any guidance Franchisor may give Franchisee regarding employment policies should be considered merely examples. Franchisee will be responsible for establishing and implementing its own employment policies, including, but not limited to, creating its own employee handbook, and should do so in consultation with local legal counsel experienced in employment law and/or a human resources professional.

8.6 **<u>Products and Services to be Offered for Sale</u>.** The presentation of a uniform image to the public and the offering of uniform products is an essential element of a successful franchise system. The reputation and goodwill of Shawarma Stackz Restaurants is based upon, and can be maintained only by, the sale of fresh, high-quality products. Franchisee therefore agrees that the Restaurant will sell or offer for sale only such items, authorized products and services as meet Franchisor's uniform standards of quality, as have been expressly approved in writing by Franchisor under the specific name designated by Franchisor and shall be prepared and served strictly in accordance with the Shawarma Stackz Restaurant recipes and specifications (the "Proprietary Products"); and at the retail prices required by Franchisor to the extent such obligation is consistent with applicable law.

A. Franchisee agrees to purchase and use only high-quality ingredients and fresh food products, and related products, materials, signs, menu items, and supplies that conform to Franchisor's approved standards and specifications, which may be modified from time to time (the "Products").

B. Franchisee must not offer for sale at the Restaurant: (1) any products or services other than the Proprietary Products, without the Franchisor's prior written approval; or (2) any Proprietary Products which are damaged or deteriorated, or are "out of date" pursuant to the Manual or as specified on the products.

C. Franchisee agrees to strictly follow the procedures for batch and daily product testing for food quality, taste and consistency, in accordance with the Manual, Shawarma Stackz Restaurant recipes, and other specifications provided by Franchisor, to ensure high quality Proprietary Products are consistently sold at the Restaurant. Franchisee's failure to consistently meet the System's high-quality Proprietary Products standards will be grounds for termination of this Agreement.

D. Franchisee must only purchase from Franchisor all Products and services supplied by Franchisor, and only purchase from approved suppliers all Products and services not supplied by the Franchisor. Franchisee is prohibited from offering or selling any alcoholic beverages at the Restaurant. Franchisee must pay a "Prohibited Product or Service Fine" of $500 per day for use of unauthorized products or services.

E. Franchisee further agrees that the Restaurant will not, without prior written approval by Franchisor, offer any other products or services nor shall the Restaurant or the premises which it occupies be used for any purpose other than the operation of a Shawarma Stackz Restaurant in compliance with this Agreement and Franchisee's lease or sublease for the premises.

F. The term Products as used in this Agreement, includes all products hereafter approved and/or developed by Franchisor for Shawarma Stackz Restaurants. Franchisor may from time to time modify the list of approved brands and/or suppliers and Franchisee shall not, after receipt in writing of such modification, reorder any brand or from any supplier which has been removed by Franchisor from the approved brand/supplier list. Franchisor may concentrate purchases with one or more suppliers to obtain lower prices and/or the best advertising support and/or services for a group of Shawarma Stackz Restaurants owned or franchised by Franchisor or its affiliates. Franchisor and its affiliates reserve the right to receive revenue from approved suppliers based on transactions with franchisees and Franchisor (or its affiliate).

G. If Franchisee proposes to use or sell any product of a brand which has not been approved as being acceptable or from a supplier which has not been approved, it shall first notify Franchisor in writing and submit sufficient photographs, drawings, specifications, samples and/or other information concerning the product and/or the supplier. Franchisor shall, within sixty (60) days, notify Franchisee in writing whether or not such proposed product and/or supplier or service is approved, as determined in Franchisor's discretion. Franchisor reserves the right to charge Franchisee reasonable costs in connection with Franchisor's review, evaluation and approval of alternative suppliers. The costs include an "Alternative Supplier Approval Fee," which will be equal to the lesser of Franchisor's actual costs associated with the evaluation or $1,000, plus travel expenses. Franchisor may approve a supplier for any products and may approve a supplier only as to certain products. Approval of a supplier may be conditioned on requirements related to the frequency of delivery, standards of service, including prompt attention to customer complaints, consistency and reliability and may be temporary pending a further evaluation of such supplier by Franchisor. Franchisor will require any supplier applying for approval to allow Franchisor or its affiliates to inspect the proposed supplier's facilities to assist Franchisor in determining if the proposed supplier meets Franchisor's criteria.

H. Franchisee shall at all times maintain an adequate and representative inventory of the Proprietary Products and Products, sufficient in quality, quantity and variety, to satisfy customer demand and realize the full potential of the Restaurant, as prescribed from time to time by Franchisor.

I. In order to maintain consistency of product, quality, taste and identity of the Shawarma Stackz brand, Franchisee agrees that all Products must be purchased exclusively from suppliers designated or approved by Franchisor.

8.7 **Compliance with Laws.**

A. Franchisee agrees to comply with all federal, state and local laws, rules, and regulations and shall as soon as practicable, but in any event prior to the opening for business of the Restaurant, obtain all municipal and state permits, certificates or licenses necessary to operate the Restaurant and shall file and publish, if required by applicable law, a certificate of doing business (whether under a fictitious name or otherwise). Franchisee shall make all such permits, licenses and certificates available for inspection by representatives of Franchisor prior to opening the Restaurant for business and, thereafter, at all times during Franchisee's business hours. Franchisee shall operate and maintain the Restaurant in strict compliance with all building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health laws, sanitation laws, Americans with Disabilities Act and any other requirements that may be prescribed by any federal, state or local governmental agency. Franchisee agrees to provide immediately Franchisor with a copy of any notice received by Franchisee from any state, local or governmental agency pertaining to compliance with any codes or requirements, or the failure to comply with any codes or requirements, at the Restaurant. Franchisee must at all times be current in its knowledge and understanding of all laws as they relate to the operation of the Restaurant.

B. Franchisee hereby certifies and represents that Franchisee, and any of its affiliates, any of its partners, members, shareholders or other equity owners, and their respective employees, officers, directors representatives or agents, are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control. Franchisee hereby agrees to defend, indemnify and hold harmless Franchisor from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorneys' fees, costs and interest) arising from or related to any breach of the certifications set forth in this paragraph

C. Franchisee shall manage the Restaurant and its staff in compliance with all laws, the Manual and any other general policies as prescribed by Franchisor. Franchisee agrees to abide by all employment laws, including, without limitation, Title VII of the Civil Rights Act, Family and Medical Leave Act, ADA, Consolidated Omnibus Budget Reconciliation Act, Fair Labor Standards Act, all state wage and hour laws, Internal Revenue Code and the immigration laws. Franchisor may from time to time provide information or training to assist Franchisee in gaining knowledge about applicable laws, but this does not in any way relieve Franchisee of its full responsibility and sole obligation to comply with such laws.

D. Franchisee shall honor all credit, charge, courtesy and cash cards that Franchisor approves in writing. To the extent Franchisee stores, processes, transmits or otherwise accesses or possesses cardholder data in connection with the sale of products and services at the Restaurant, Franchisee is required to maintain the security of cardholder data and adhere to the then-current credit card security standards which can be found at www.pcisecuritystandards.org for the protection of cardholder data throughout the Term of this Agreement. Franchisee is responsible for the security of cardholder data in its possession or control and in the possession or control of any of its employees that Franchisee engages to process credit cards. At Franchisor's request, Franchisee agrees to provide appropriate documentation to Franchisor to demonstrate compliance by Franchisee and all its employees with the "Payment Card Industry Data Security Standard" ("PCI DSS") requirements. In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, Franchisee must immediately notify Franchisor in the manner required in the PCI DSS requirements and provide an approved third-party full access to conduct a thorough security review following a security intrusion. In the event of termination or expiration of this Agreement, Franchisee and its respective successors and permitted assigns shall ensure compliance with PCI DSS requirements even after expiration of this Agreement.

8.8 **Management and Operational Efforts**. The Restaurant must be managed on a full-time basis by either Franchisee or the Operating Partner (as defined in Section 17.2), who has successfully completed Franchisor's mandatory training. Franchisee agrees to keep Franchisor advised, in writing, of all management personnel (e.g., the Operating Partner and the Restaurant managers) involved in the operation of the Restaurant. Franchisee or the Operating Partner must complete, to the satisfaction of Franchisor, the training program. If, and in the event, Franchisor, in its reasonable discretion, determines that Franchisee's duties are not properly being performed, Franchisor shall advise Franchisee and Franchisee shall take such corrective measures as are necessary to immediately rectify the situation.

If Franchisee and its affiliates own three (3) or more Shawarma Stackz Restaurants, Franchisor may, at its option, require Franchisee to engage a district manager to oversee the development and operation of the Shawarma Stackz Restaurants owned by Franchisee or its affiliates. Such district manager shall be in addition to, and not in lieu of, the Operating Partner responsible for the operation of each Shawarma Stackz Restaurant.

8.9 **Communications.** Franchisee agrees during the term of this Agreement and at Franchisee's sole expense, to maintain communications with Franchisor and other persons regarding the Restaurant, in the manner set forth in the Manual and other materials provide by Franchisor.

8.10 **Computer and POS Systems; Security Systems; Technology; and Use of Systems Data.**

A. Franchisee agrees to obtain and use for the Restaurant's operations the computer hardware and operating software that Franchisor specifies from time to time, including, but not limited to, a point-of-sale ("POS") reporting system and a security system (collectively, the "Computer System"). Franchisor may modify specifications for and components of the Computer System from time to time. Franchisee also agrees to maintain a functioning e-mail address. Franchisor's modification of specifications for the Computer System, and/or other technological developments or events, might require Franchisee to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Franchisee agrees to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. Franchisor has no obligation to reimburse Franchisee for any Computer System costs. During Franchisee's operation of the Restaurant pursuant to this Agreement, Franchisee must, within thirty (30) days after Franchisee receives notice from Franchisor, obtain any new Computer System components Franchisor designates and ensure that Franchisee's Computer System, as modified, functions properly, including any updates to the software as may be provided. Although Franchisee agrees to buy, license, use, and maintain the Computer System according to Franchisor's standards and specifications, Franchisee will have sole and complete responsibility for: (i) the acquisition, operation, maintenance, and upgrading of the Computer System; (ii) the manner in which the Computer System interfaces with Franchisor's and any third party's computer system; (iii) any and all consequences if the Computer System is not properly operated, maintained, and upgraded; (iv) ensuring that the Computer System is in compliance with any and all industry standards and governmental regulations; and obtaining its own employee-scheduling software.

B. Data, including names, addresses, contact information, and credit card or payment information of customers of the Restaurant will be captured on the required software, and will become the joint property of Franchisee and Franchisor during the Term of this Agreement. Franchisor may use such information to communicate directly to the customers of the Restaurant, and to provide updates, information, newsletters, and special offers to the customers. Upon expiration or termination of this Agreement, Franchisee shall have no further access or rights to the customer information and Franchisor shall be the sole owner of such information.

C. Franchisor will have independent access to information Franchisee generates and stores in the Computer System, including full and unrestricted administrative access to the business, tax, and accounting information. Franchisee will provide Franchisor with any passwords necessary to access the business information for the Restaurant that is stored on the required software and online.

D. If Franchisor establishes a gift card program (the "Gift Card Program"), Franchisee agrees to participate in and comply with the guidelines, standards and requirements of the Gift Card Program, as may be modified from time to time by Franchisor in its reasonable discretion. Such guidelines, procedures and standards will be applied on a uniform and fair basis to all participants in such program (which may include other Shawarma Stackz Franchisees, as well as Shawarma Stackz Restaurants owned or operated by Franchisor), subject to reasonable exceptions and special circumstances, as determined by Franchisor in its reasonable discretion. Unless otherwise specified by Franchisor, all "sales" of gift cards shall not be included in the "Gross Sales" of a participating Shawarma Stackz Franchisee, and no Continuing Royalty Fee or Marketing Fund Contribution shall be payable in connection therewith. All amounts received by Franchisee for the "sale" of the gift card shall be remitted to Franchisor biweekly (i.e., every two weeks) without set-off, credit or deduction at the same time and in the same manner as the Continuing Royalty Fee is paid.

E. At the time each gift card (or any portion thereof) is "redeemed" by a customer's purchase at Franchisee's Restaurant (regardless from which participating Shawarma Stackz Restaurant the gift card was issued), such transaction shall be recorded with the "Gross Sales" of Franchisee, and Franchisee shall pay the applicable Continuing Royalty Fee and the Marketing Fund Contribution on such redemption transaction; provided, however, Franchisee shall receive a credit against the amount Franchisee owes for gift card sales equal to the amount of gift card (or portion thereof) "redeemed". In the event the gift card "redemptions" exceed the gift card sales then Franchisee shall receive a credit against the amount Franchisee owes for Continuing Royalty Fees equal to the amount the gift card redemptions exceed the gift card sales (or portion thereof). The adjustment for any such gift card redemption transaction shall be included in the biweekly accounting of fees owing by Franchisee.

F. Except as otherwise provided in this Agreement, Franchisee agrees to indemnify, defend and hold harmless Franchisor and all other companies participating in the Gift Card Program for all liabilities or claims arising out of or relating to all improper or unauthorized "sales," or other distributions, of gift cards by Franchisee (the full amount of the face value of each such gift card related to which is not promptly remitted to Franchisor) and to all improper or fraudulent use of gift cards delivered to or in the custody of Franchisee for sale in connection with the Gift Card Program. Franchisee agrees to implement adequate security measures to prevent unauthorized access to distribution of unissued gift cards and to the Gift Card Program authorization procedures.

G**.** Franchisor agrees to reimburse Franchisee (through a credit against biweekly Continuing Royalty Fees payable by Franchisee) for the full value of all bona fide gift card redemptions made in accordance with the guidelines, procedures and standards established by Franchisor. Franchisor shall be entitled to commingle all amounts received from Franchisee for the original "sale" of each gift card, but shall be responsible for honoring the redemption of all bona fide Shawarma Stackz Restaurant gift cards issued in accordance with the guidelines, procedures and standards established by Franchisor and for which Franchisor has previously received all of the proceeds from the "sale" of each such Shawarma Stackz Restaurant gift card.

H. If Franchisor establishes a loyalty program (the "Loyalty Program"), Franchisee agrees to participate in and comply with the guidelines and requirements of such program. The Loyalty Program is based on a customer receiving free product/merchandise for multiple purchases. Franchisee agrees to honor all rewards offered to customers under the Loyalty Program established by Franchisor. Franchisee will not be reimbursed for any products/merchandise provided at no cost to customers under the Loyalty Program, as the cost of the product(s)/merchandise provided under such program will be diminutive (e.g., one free appetizer, entrée, or dessert.)

I. Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Section 8.10 was periodically revised by Franchisor for that purpose. Franchisee agrees to install and use new technology in all phases of the operation of the Restaurant as such technology becomes available and is recommended or mandated by Franchisor from time to time.

J. Franchisee agrees to comply with the Manual, usage policies, and any other specifications Franchisor provides regarding Franchisee's use of the Internet, World Wide Web or other electronic media in connection with Franchisee's Restaurant, including, but not limited to, a requirement that any such use be only through Franchisor/any Affiliate or a designated host or service provider, and/or that all web pages related to the Restaurant be accessed through a designated site and otherwise meet specifications. Franchisee agrees not to establish and/or maintain without Franchisor's prior written consent any independent website, domain name, e-mail address, site links, or other such electronic publications/addresses/technologies in connection with Franchisee's Restaurant business. Franchisee agrees to participate in any intranet/Internet activities, to sign appropriate licensing/user agreements, and any amendments thereto, as Franchisor may require, and to maintain the necessary hardware, software, POS system, security system, equipment, operating and accounting systems, High-Speed Internet Service, and other items as Franchisor may require on an ongoing basis, at Franchisee's expense.

K. Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and cyber-attacks by hackers and other unauthorized intruders, and Franchisee waives any and all claims Franchisee may have against Franchisor as the direct or indirect result of such disruptions, failures, or attacks.

L. Franchisee agrees to take all reasonable and prudent steps necessary to ensure that its and its customers' data is protected at all times from unauthorized access or use by a third party or misuse, damage or destruction by any person.

M. Franchisee must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies Franchisor periodically may establish. Franchisee must notify Franchisor immediately of any suspected data breach at or in connection with the Restaurant's computer system.

8.11 **Franchisee Advisory Council**. Franchisor reserves the right to establish a franchisee advisory council ("Franchisee Advisory Council") in the future to be purely advisory in nature and have no operational or decision-making authority as to Franchisor, Shawarma Stackz Franchises, the System or otherwise. The purpose of such a council would be to provide Franchisor with input on advertising and marketing matters and on such other subjects relevant to the System as Franchisor may request. Any such Franchisee Advisory Council shall operate under bylaws written and/or approved by Franchisor.

8.12 **Good Standing**. Franchisee will be considered in "Good Standing" if Franchisee is not in default of any obligation to Franchisor or any of Franchisor's affiliates, whether arising under this Agreement or any other agreement between Franchisee and Franchisor (or any of Franchisor's affiliates), the Manual or other System requirements.

8.13 **System Standards**. Franchisee and Franchisor have a shared interest in the Restaurant performing at or above the System Standards. Franchisor would not have entered into this franchise relationship if Franchisor had anticipated that Franchisee would not meet such standards. Franchisor may choose, in its reasonable discretion, to evaluate the Restaurant for compliance with the System Standards using various methods (including, but not limited to, evaluations, field service visits, customer comments/surveys, and mystery shopper reports.) Franchisee must meet minimum standards for cleanliness, equipment condition, repair and function, and customer service. Franchisee's employees must meet minimum standards for courteousness and customer service. Franchisee must follow Franchisor's food specifications, preparation, and recipes exactly as set forth in the Manual and elsewhere by Franchisor. Franchisee may not substitute ingredients or alter the recipes provided by Franchisor in any way whatsoever.

9. ADVERTISING

9.1 **General.**

A. **By Franchisor**. Franchisor will develop, prepare and offer to Franchisee (in some cases with, and in some cases without, charge) such posters, ad formats, direct mail, point of sale and other advertising materials for the Restaurant as Franchisor deems appropriate and will implement a marketing program as described below. Franchisee must participate in all advertising and/or promotional campaigns that Franchisor may establish.

B. **By Franchisee**. Franchisee must submit to Franchisor for approval any and all advertising and promotional materials prepared by Franchisee for the Restaurant prior to using such materials. Franchisor will approval or disapprove in writing any such materials within a reasonable time, typically within ten (10) business days. Franchisee must not use any disapproved or unapproved advertising or promotional materials. Franchisee must comply with any advertising requirements contained in its lease or sublease for the premises of the Restaurant. All advertising and promotional materials used by Franchisee must be completely factual, comply with all applicable laws and conform to the highest standards of ethical advertising and policies prescribed from time to time by Franchisor.

9.2 **Marketing Fund**. Franchisor's experience and business judgment is that a unified marketing program, on both a local and broader level, is an essential factor in the potential success of all Shawarma Stackz Restaurants, to achieve top-of-mind awareness in potential customers, to build and retain goodwill associated with the Name and Marks thereby hopefully benefiting all Shawarma Stackz Restaurant operators, to create improved brand loyalty among new and future customers and to achieve a favorable retail position for all Shawarma Stackz Restaurants. To maximize the possibility of obtaining these goals, Franchisor and Franchisee have agreed to a marketing program as follows:

(1) Franchisor has instituted a national advertising, publicity and marketing fund (the "Marketing Fund") for such advertising, advertising-related, marketing and/or public relations programs, services and/or materials as Franchisor may deem necessary or appropriate to promote Shawarma Stackz Restaurants, including development and maintenance of social media and a website promoting Shawarma Stackz Restaurants, whether or not such social media and website simultaneously promote restaurants operated by Franchisor or its Affiliates. The Marketing Fund may be combined with any marketing fund otherwise established for Shawarma Stackz Restaurants and the funds merged for use in accordance with this Agreement. Franchisee will contribute, biweekly, to the Marketing Fund two

percent (2%) of the Gross Sales (as defined in Section 5.3) of the Restaurant, payable as provided in Paragraph A of Section 5.7. Franchisor reserves the right to increase the amount Franchisee is required to contribute to an amount not to exceed four percent (4%) of the Gross Sales of the Restaurant. Franchisor will cause all Shawarma Stackz Restaurants owned by it to make contributions to the Marketing Fund based on the contribution rate generally in effect at the time such Shawarma Stackz Restaurants most recently came under Franchisor's ownership. Franchisee understands that, due to differing forms of franchise agreements or otherwise, some Shawarma Stackz Franchisees may have different marketing funds and/or other obligations than in this Agreement.

(2) Franchisor will have sole and absolute discretion over all matters relating to the Marketing Fund in any way, including (but not limited to) its management, all financial matters, expenditures, receipts and/or investments by the Marketing Fund, timing of expenditures, creative concepts, content, materials and endorsements for any marketing programs, together with the geographic, market, and media placement and allocation thereof. The Marketing Fund may be used, in Franchisor's sole and absolute discretion, to (among other things) pay costs of preparing, producing, distributing and using marketing, advertising and other materials and programs; administering national, regional and other marketing programs, purchasing media, employing advertising, public relations and other agencies and firms; and supporting public relations, market research and other advertising and marketing activities, as well as any expenses associated with any Franchisee Advisory Council(s), if those Councils, and such expenses, are approved by Franchisor. Brief statements regarding the availability of information regarding the purchase of Shawarma Stackz Franchises may be included in advertising and other items produced and/or distributed using the Marketing Fund.

(3) Franchisor may arrange for services, goods and otherwise, including (but not limited to) creative concepts, production, placement, purchase of media, legal, accounting and other services, to be provided to the Marketing Fund by itself, any of its affiliates and/or their employees or agents, including persons/entities who may be owned, operated, controlled by, and/or affiliated with, Franchisor (such as an "in-house advertising agency") or who may be independent. Franchisor may use the Marketing Fund to reimburse any of such persons/entities (including itself) as Franchisor deems appropriate in its sole and absolute discretion (including payment of salaries) and to compensate others for administrative and other services, materials, etc. rendered to the Marketing Fund, provided that any compensation to any affiliate will not be unreasonable in amount.

(4) Franchisor may recommend prices and pricing strategies for products and services for purposes of menu uniformity, image and advertising. Franchisee is obligated to follow such pricing recommendations to the extent such obligation is consistent with applicable law and is otherwise solely responsible for establishing its own retail prices at such levels as Franchisee deems appropriate.

(5) Franchisee will participate in all advertising and public relations programs instituted by the Marketing Fund. The Marketing Fund will, as available, furnish Franchisee with marketing, advertising and promotional formats and sample materials and may charge the direct cost of producing them plus shipping and handling. Franchisor may use the Marketing Fund to pay the costs of website development and maintenance, social media activities, search engine optimization, advertising, advertising-related, marketing and/or public relations programs, services and/or materials with respect to locations, programs or concepts where products and/or services offered under the Shawarma Stackz name and/or Marks are to be offered in conjunction with products and/or services offered under other marks, including (but not limited to) any co-branding, dual franchising or other programs, and any other

franchised or non-franchised alternative channel of distribution, whether or not controlled by Franchisor.

(6) The Marketing Fund will be accounted for separately from Franchisor's other funds (but may be commingled with Franchisor's other funds) and will not be used to defray any of Franchisor's general operating expenses, except for such administrative costs, including employee salaries, overhead and other expenses as Franchisor may reasonably incur in activities related to the Marketing Fund and its programs (including, without limitation, conducting market research, preparing advertising and marketing materials, insurance, legal costs and collecting and accounting for the Marketing Fund.) Franchisor may, in Franchisor's sole and absolute discretion, spend in any fiscal year an amount greater or less than the aggregate contributions to the Marketing Fund in that year and the Marketing Fund may borrow from Franchisor 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. Franchisee authorizes Franchisor to collect for remission to the Marketing Fund any advertising or promotional monies or credits offered by any supplier based upon purchases by Franchisee or otherwise. All interest earned on monies contributed to the Marketing Fund will be contributed to the Marketing Fund and will be used to pay costs before using the Marketing Fund's other assets. A statement of monies collected, and costs incurred by the Marketing Fund will be prepared annually by Franchisor and be furnished to Franchisee upon request. Franchisor may (but is not required to) have financial statements of the Marketing Fund audited and any costs in connection therewith will be paid by the Marketing Fund. Franchisor will have the right to cause the Marketing Fund to be incorporated or operated through an entity separate from Franchisor as Franchisor deems appropriate in its sole and absolute discretion, and such successor entity will have all rights and duties of Franchisor relating to the Marketing Fund.

(7) Franchisor may (but is not required to) remit a portion of Marketing Fund contributions back to a franchisee on such terms and conditions as determined by Franchisor including (but not limited to) reimbursement of local advertising expenditures made by a franchisee. Franchisor may also forgive, waive, settle, and compromise all claims by or against the Marketing Fund. Franchisor will have sole and absolute discretion as to whether or not Franchisor takes legal or other action against any franchisee who is in default of his or her obligations with respect to the Marketing Fund (including obligations to make contributions) or otherwise and whether a franchisee may be allowed to make direct advertising expenditures in place of contributions to the Marketing Fund.

(8) Franchisee acknowledges and agrees that the Marketing Fund is generally intended to maximize general recognition of the brand name and/or Marks and patronage of Shawarma Stackz Restaurants. Franchisee understands and acknowledges that the Restaurant may not benefit directly or in proportion to its contribution to the Marketing Fund from the development and placement of advertising and development of marketing materials. Franchisor will have no obligation to cause other Shawarma Stackz Restaurants, licensees or outlets (some of which may be under different arrangements) to contribute to the Marketing Fund, any cooperative or engage in local marketing. Franchisee and Franchisor, each having a mutual interest in, and agreeing on the critical practical business importance of, Franchisee's and Franchisor's relationship being governed solely by written instruments signed by the parties to be bound (and not having either Franchisee or Franchisor subject to the uncertainty and ambiguity inherent in the application of legal or other concepts not expressly agreed to in writing by Franchisee and Franchisor), agree that Franchisee's and Franchisor's rights and obligations with respect to the Marketing Fund and all related matters are governed solely by the express terms of this Agreement and that this Agreement (and the parties' relationship and all rights

and obligations with respect to the Marketing Fund) does not create a "trust," "fiduciary relationship" or similar special arrangement. Franchisor may maintain Marketing Fund assets in one or more accounts designated as "trust accounts" (or similarly designated), for purposes of protecting such assets from claims of third-party creditors or otherwise, but such designation and/or treatment will not operate to create any "trust," "fiduciary relationship" or similar special arrangement as to the Marketing Fund, its assets or otherwise.

9.3 **Grand Opening Advertising.** Franchisee agrees to spend a minimum of Ten Thousand Dollars ($10,000) in the first 90 days of opening on advertising, marketing and promotion to support the Grand Opening of the Restaurant (the "Grand Opening Program"). Franchisor will advise Franchisee in connection with the Grand Opening Program, which shall be conducted in accordance with Franchisor's standard plans, as adapted for the Restaurant. All materials used in the Grand Opening Program will be subject to Franchisor's prior written approval. Franchisee agrees that Franchisor, in its reasonable discretion, may include a brief statement regarding the availability of Shawarma Stackz Franchises. The Grand Opening Program will include, but not be limited to, direct marketing materials and production-ready, customized promotional slicks/items. Franchisor may waive or reduce the Grand Opening expenditure requirement in limited instances where the venue or other circumstances warrant it, in Franchisor's sole judgment.

9.4 **Local Marketing/Advertising**. Franchisee shall be required to spend a minimum amount, as specified in Section 5.5 of this Agreement, on local advertising and promotion of the Restaurant biweekly (every two weeks). Such local advertising expenditures shall exclude money spent for discounts, coupon redemptions and the cost of products or services given without charge. Franchisee shall submit biweekly, in a form prescribed by Franchisor, verification of its expenditures for advertising and promotion for the previous two (2) calendar-week period. Franchisee shall have access to Franchisor's marketing directory for expedient delivery of pre-made marketing materials and pre-approved ad slicks. Before Franchisee may utilize any advertising or promotional materials not prepared or previously approved by Franchisor, Franchisee must submit samples of such materials to Franchisor and Franchisor must approve both the sample and proposed placement. Franchisor reserves the right to increase the amount Franchisee is required to spend on local advertising and promotion to an amount not to exceed three percent (3%) of Gross Sales.

9.5 **Franchisee Marketing Group(s) ("Co-Ops").** Franchisor may decide to form one or more associations and/or sub-associations of Shawarma Stackz Franchisees to conduct various marketing-related activities on a cooperative basis (a "Co-Op"). Any such Co-Op shall operate under bylaws written and/or approved by Franchisor. If one or more Co-Ops (local, regional and/or national) are formed covering Franchisee's area, then Franchisee must join and actively participate. Each Shawarma Stackz Restaurant will be entitled to one (1) vote, but in order to vote the Franchisee must be in Good Standing. Franchisee may be required to contribute such amounts as are determined from time to time by such Co-Ops; but, in no event will Franchisee be required to pay more than three percent (3%) of its Gross Sales for combined Local Marketing and Cooperative Advertising. All amounts paid to an advertising cooperative will be credited toward your Local Marketing/Advertising Expenses requirement.

9.6 **Website**.

A. Franchisee must not establish a Website. As used in this Agreement, the term

“Website” means an interactive electronic document, contained in a network of computers linked by communications software that refers to Shawarma Stackz Restaurants or the Marks. The term Website includes, but is not limited to, Internet and World Wide Web home pages. Franchisor shall have the right, but not the obligation, to establish a Website and to designate one or more web page(s) on such Website to describe Franchisee and/or the Restaurant, such web page(s) to be located within Franchisor’s Website.

B. If Franchisor provides Franchisee with a webpage on the Website, Franchisee must: (i) provide Franchisor the information and materials Franchisor requests to develop, update, and modify Franchisee’s webpage; and (ii) notify Franchisor whenever any information on Franchisee’s webpage is not accurate. Franchisor will own all intellectual property and other rights in the Website, including Franchisee’s webpage, and all information they contain (including, without limitation, the domain name or URL for Franchisee’s webpage, the log of “hits” by visitors, and any personal or business data that visitors supply).

C. Franchisor may use the Marketing Fund’s assets to develop, maintain, and update the Website. Franchisor periodically may update and modify the Website (including Franchisee’s webpage). Franchisee acknowledges that Franchisor has final approval rights over all information on the Website (including Franchisee’s webpage).

D. Even if Franchisor provides Franchisee a webpage on the Website, Franchisor will only maintain such webpage while Franchisee is in full compliance with this Agreement. If Franchisee is in default of any obligation under this Agreement, then Franchisor may, in addition to its other remedies, temporarily remove Franchisee’s webpage information from the Website until Franchisee fully cures the default.

E. All advertising, marketing and promotional materials that Franchisee develops for the Restaurant must contain notices of the Website’s domain name in the manner Franchisor designates. Franchisee may not develop, maintain, or authorize any other Website that mentions or describes Franchisee or the Shawarma Stackz Restaurant or displays any of the Marks.

9.7 **Social Media Activities.** As used in this Agreement, the term “Social Media” is defined as a network of services, including, but not limited to, blogs, microblogs, and social networking sites (such as Facebook, LinkedIn, Instagram, Twitter, and TikTok), video-sharing and photo-sharing sites (such as YouTube and Flickr), review sites (such as Yelp, Google Review, and Angie’s List), marketplace sites (such as eBay and Craigslist), Wikis, chat rooms and virtual worlds, that allows participants to communicate online and form communities around shared interests and experiences. While it can be a very effective tool for building brand awareness, it can also be devastating to a brand if used improperly. Therefore, any and all Social Media pertaining to the Shawarma Stackz Restaurant will be conducted solely through Franchisor, with the exception of Yelp and Google Review. Franchisee shall be solely responsible for the Restaurant’s online business directory listings, advertising, and crowd-sourced reviews on Yelp and Google Review, and such other online business directory listings, as Franchisor may designate or approve from time to time. Franchisor reserves the right to "occupy" any Social Media websites/pages and be the sole provider of information regarding Shawarma Stackz Restaurants on such websites/pages (e.g., a system-wide Facebook page). At Franchisor’s request, Franchisee will promptly modify or remove any online communication pertaining to the Shawarma Stackz Restaurant that does not comply with this Agreement or the Manual.

10. FINANCIAL STANDARDS

10.1 **Records, Reports, and Accounting/Business Systems.** Franchisee shall at all times maintain true and accurate business records in the manner specified by Franchisor. When preparing and submitting financial statements to Franchisor, Franchisee will be required to use a standard chart of accounts, income statement and balance sheet designated by Franchisor. Franchisee shall submit biweekly financial reporting forms and such other financial, operational and statistical information as Franchisor may require to: (i) assist Franchisee in the operation of the Restaurant in accordance with the System; (ii) allow Franchisor to monitor Franchisee's Gross Sales, purchases, costs and expenses; (iii) enable Franchisor to develop chain wide statistics which may improve bulk purchasing; (iv) assist Franchisor in the development of new authorized Products or the removal of existing unsuccessful products; (v) enable Franchisor to refine existing authorized Products; and (vi) generally improve chain-wide understanding of the System. Without limiting the generality of the foregoing:

A. Franchisee will allow Franchisor to poll on a daily basis, at a time selected by Franchisor, Franchisee's computerized POS system for the Restaurant to retrieve sales, usage, and operations data.

B. By 5:00 P.M. (Pacific Time) each Tuesday, during the Term hereof, Franchisee shall submit a biweekly sales summary, on a form prescribed by Franchisor, reporting all Gross Sales for the preceding two (2) calendar-week period either by electronic mail ("e-mail"), by facsimile or, by any other electronic means prescribed by Franchisor.

C. On or before the 5th day of each month, during the Term hereof, Franchisee shall submit a monthly sales summary signed by Franchisee, on a form prescribed by Franchisor, reporting all Gross Sales for the preceding month, or fiscal period as applicable, together with such additional financial information as Franchisor may from time to time request.

D. Franchisee shall comply with Franchisor's required standards for accounting, reporting and the generation of income statements, as set forth in the Manual, or otherwise communicated to Franchisee by Franchisor. Franchisor reserves the right to change or modify such standards from time to time. If Franchisee fails to comply with Franchisor's required accounting and reporting standards, Franchisor, at its sole discretion, may require Franchisee to hire an accounting firm designated by Franchisor.

E. Franchisee shall immediately (in no event more than 24 hours following) notify Franchisor of any (i) incident that may adversely affect the operation or financial condition of the Restaurant, Franchisor or its affiliates; (ii) legal action (including the commencement of a suit or proceeding, or the threat thereof), (iii) issuance of any writ, order, injunction, award or decree of any court, agency or government authority, including any citation, fine or closing order, or (iv) any other adverse inquiry, notice, demand or sanction received by Franchisee relating to the operation of the Restaurant or the Authorized Location, including any alleged violation of any law, including health, safety or employment law violations, and including any labor dispute or actual or threatened labor strike, work stoppage, lock-out or other incident relating to any labor agreement, and shall provide Franchisor with copies of all related correspondence and other communications and information relating thereto.

F. If Franchisee fails, for any reason, to timely deliver to Franchisor any required report with all required information, Franchisor is authorized, without further notice, to assess Continuing Royalty Fees and Marketing Fund Contributions for each relevant two (2) calendar-week period and effect an electronic funds or other transfer of such funds calculated as the greater of (i) Franchisee's average biweekly Continuing Royalty Fee and Marketing Fund Contributions over the prior twelve months, or (ii) the Continuing Royalty Fee and Marketing Fund Contributions of all similar franchisees within Franchisee's region as defined by Franchisor. Franchisee hereby authorizes Franchisee's bank to make such transfers upon Franchisor's request. No action taken under this Paragraph shall constitute a cure of any breach by Franchisee, an election of remedies by Franchisor or act, in any way, to limit Franchisee's liability to pay fees under this Agreement.

10.2 **Right to Conduct Audit or Review**. Upon ten (10) days prior written notice, Franchisor, its agents or representatives may audit Franchisee's books and records. In connection with such audit(s) or other operational visits, Franchisee shall keep its cash receipts records, monthly control forms, accounts payable records including all payments to Franchisee's suppliers at the Location or at its business office for five (5) years after their due date, which records shall be available for examination by Franchisor or its representative(s), at Franchisor's request. Without any prior written notice, Franchisor, its agents or representatives may inspect the Restaurant and Franchisee's daily, weekly and monthly statistical information which is required under the Manual. Franchisee shall make such information available for such inspections in recognition that an operational inspection cannot succeed without review of essential statistical information. If any audit or other investigation reveals an under-reporting or under-recording error of two percent (2%) or more, then in addition to any other sums due, the expenses of the audit/inspection shall be borne and paid by Franchisee upon billing by Franchisor, plus interest as provided under Section 5.6, above. Franchisor shall have the right to conduct an audit and/or review of all information pertaining to the Restaurant upon termination or expiration of this Agreement.

10.3 **Insurance.**

A. Prior to the opening for business of the Restaurant and throughout the entire term of this Agreement, Franchisee will keep in force, at Franchisee's own expense and by advance payment of premium, the following insurance coverage:

(1) Worker's compensation insurance as required by law and employer's liability insurance with a limit not less than $1,000,000, and such other insurance as may be required by the state or locality in which the Restaurant is operated;

(2) Commercial general liability insurance, occurrence form, including a per location aggregate if the policy is covering more than one location, with the following coverage: owners and contractors protective liability, broad form property damage, contractual liability, severability of interest clause; personal and advertising injury; and products/completed operations; liquor liability; employee benefits liability; data compromise coverages (including named malware, forensic IT, legal review, PR services, defense and liability, identity recovery, lost wages/child elder, mental health expenses and miscellaneous expenses limits); and medical payments and fire damage liability; insuring Franchisee and Franchisor against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the Restaurant, including general aggregate coverage in the following limits:

Required Coverage	Minimum Limits of Coverage
General Aggregate	$2,000,000
Products/Completed Operations Aggregate	$2,000,000
Personal and Advertising Injury	$1,000,000
Each Occurrence	$1,000,000
Damage to Premises Rented to You	$300,000
Medical Expense (any one person)	$5,000
Employee Benefits Liability (each employee)	$1,000,000
Employee Benefits Liability (aggregate)	$2,000,000
Data Compromise (response expense limit)	$1,000,000

(3) "ALL RISK" or special property coverage of not less than current replacement cost of the Restaurant's glass, equipment, fixtures and leasehold improvements sufficient in the amount to restore the Restaurant to full operations;

(4) Business interruption insurance with coverage for at least twelve (12) months for actual losses (for purposes of this Agreement, "Gross Sales shall further include any proceeds received by Franchisee in connection with a "business interruption" insurance claim.); and

(5) If Franchisee has company-owned vehicles, automobile liability insurance for owned and non-owned automobiles including personal injury, wrongful death, and property damage with single limit coverage of at least One Million Dollars ($1,000,000).

(6) Employment Practices Liability Insurance with minimum limits of coverage of at least One Million Dollars ($1,000,000).

(7) Excess Liability Insurance with minimum limits of coverage of at least Five Million Dollars ($5,000,000) for each occurrence, products-completed operations aggregate, and other aggregate.

(8) Cyber Liability Insurance with a minimum coverage amount as set forth in the Manual and/or as otherwise determined by Franchisor and communicated to Franchisee.

B. Franchisor reserves the right from time to time to upgrade the insurance requirements as to policy limits, deductibles, scope of coverage, rating of carriers, etc. Within sixty (60) days of receipt of notice from Franchisor, Franchisee agrees to revise its coverage, as specified in any notice from Franchisor.

C. All insurance policies required hereunder of the Franchisee shall be: (i) primary and non-contributory, and (ii) issued by an insurance company with a rating of not less than "A" in the current A.M. Best's Key Rating Guide or approved by Franchisor.

D. Franchisee's obligation to obtain and maintain the forgoing insurance policy or policies in the amounts specified shall not be limited by reason of any insurance that may be maintained by Franchisor nor relieve Franchisee of liability under the indemnity provisions set forth in this Agreement.

Franchisee's insurance procurement obligations under this Section 10.3 are separate and independent of Franchisee's indemnity obligations.

E. Additional Insured Endorsement. All insurance shall name Franchisor as an additional insured, waive any subrogation rights or other rights to assert a claim back against Franchisor, and shall contain a clause requiring notice to Franchisor thirty (30) days in advance of any cancellation or material change to any such policy. The "Additional Insured Endorsement" must be approved in writing by Franchisor and name Franchisor and its respective officers, directors, partners, members, affiliates, subsidiaries and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20 26 or any other form approved in writing by Franchisor that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of Franchisor or other additional insureds. Franchisee shall maintain such additional insured status for Franchisor on its general liability policies continuously during the term of this Agreement.

F. The insurance policies described above are minimum requirements and Franchisee may purchase and maintain additional insurance policies or insurance policies with greater coverage limits. Franchisee shall provide Franchisor with copies of certificates of coverage, insurance policy endorsements, and other evidence of compliance with these requirements, at least annually, or as Franchisor periodically requires. Franchisee's failure to obtain or the lapse of any of the required insurance coverage shall be grounds for the immediate termination of this Agreement pursuant to Section 15.2, and Franchisee agrees that any losses, claims or causes of action arising after the lapse of or termination of insurance coverage will be the sole responsibility of Franchisee and that Franchisee will hold Franchisor harmless from all such losses, claims and/or causes of action.

G. Franchisee is required to submit to Franchisor a copy of a Certificate of Insurance, with Franchisor as an additional insured, showing compliance with the foregoing requirements at least thirty (30) days before Franchisee commences operation of the Restaurant. Franchisor shall have a security interest in all insurance proceeds to the extent Franchisee has any outstanding obligations to Franchisor.

H. If Franchisee at any time fails or refuses to maintain in effect any insurance coverage required by Franchisor, or to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may, but need not, obtain such insurance coverage, on behalf of Franchisee, and Franchisee shall promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to Franchisor, on demand, any costs and premiums incurred by Franchisor.

11. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

11.1 **Independent Contractor**. It is specifically understood and agreed that the only relationship between Franchisor and Franchisee created by this Agreement is that of independent contractor, that the business conducted by Franchisee is completely separate and apart from any business that may be operated by Franchisor and that nothing in this Agreement shall create a fiduciary relationship between them or constitute either party as agent, legal representative, subsidiary, joint venturer, partner, employee, general contractor, servant or fiduciary of the other party for any purpose whatsoever. Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Franchisor, and Franchisee agrees to take such action including exhibiting a notice to that effect in such content, form and place as Franchisor may specify. It is further specifically agreed that Franchisee is not an affiliate of Franchisor and that neither party shall have authority to act for the other in any manner to create any obligations or indebtedness that would be binding upon the other party. Neither party shall be in any way responsible for any acts and/or omissions of the other, its agents, servants or employees and no representation to anyone will be made by either party that would create an implied or apparent agency or other similar relationship by and between the parties. The Restaurant shall contain signage prominently identifying Franchisee by name as an independently owned and operated franchisee of Franchisor, as determined by Franchisor, in its reasonable discretion.

11.2 **Indemnification**.

A. Franchisee shall indemnify, defend, and hold harmless Franchisor, its current and former affiliates, and their respective officers, directors, shareholders, managers, members, consultants, agents, attorneys, accountants, brokers, representatives or employees (collectively, the "Indemnified Parties") from and against any and all losses, costs, expenses (including attorneys' fees at all levels), damages and liabilities, (including, but not limited to, any claims of vicarious or other liability), (a) that arise out of or relate to the negligence, breach of contract or other civil or criminal wrongdoing of Franchisee or any of Franchisee's affiliates and any of their respective officers, directors, shareholders, managers, members, agents, attorneys, accountants, brokers, representatives or employees, or (b) that result, directly or indirectly, from or pertaining to the conduct of Franchisee's business. Franchisor's right to indemnity shall be valid notwithstanding that joint or concurrent liability may be imposed on Franchisor by statute, ordinance, regulation, or other legal requirement. Each Indemnified Party reserves the right to appoint its own attorney and defend and/or settle any such claim with no obligation to Franchisee and without affecting such Indemnified Party's rights under this indemnification or otherwise. Franchisee can appoint separate independent counsel to represent Franchisee's interest in any such proceedings, suits, claims, etc., all at Franchisee's expense. Franchisee waives and releases all claims against the Indemnified Parties for damages to property or injuries to persons arising out of or relating to the operation of the Restaurant, including any such claims currently unknown to Franchisee and arising at any time during the term of this Agreement to the full extent permitted by law. No Indemnified Party shall be required to seek recovery from any insurer or other third party, or to otherwise mitigate losses and/or expenses, to maintain a claim under this provision and recover thereon. Franchisee agrees that a failure by an Indemnified Party to seek a recovery against a third party and/or mitigate a loss will not reduce or alter an Indemnified Party's rights to recover or the amount of any such recovery.

B. Franchisor agrees to indemnify Franchisee against and to reimburse Franchisee for all damages for which Franchisee is held liable in any proceeding rising out of Franchisee's use of any of the Marks pursuant to and in compliance with this Agreement and for all costs reasonably incurred by Franchisee in the defense of any such claim brought against Franchisee or in any such proceeding in which Franchisee is named as a party; provided that Franchisee has timely notified Franchisor of such claim or proceeding and has otherwise complied with this Agreement.

11.3 **Personal Guaranty**. If Franchisee is a corporation, LLC or other business entity, each person who owns or at any time during the term acquires, either legally or beneficially, a ten percent (10%) or more equity or voting interest in Franchisee, shall furnish any financial information reasonably required by Franchisor and execute Franchisor's form of personal guaranty attached to this Agreement as Exhibit

FA-5. An event of default under this Agreement shall occur if any guarantor fails or refuses to deliver to Franchisor, within 10 days after Franchisor's written request: (i) evidence of the due execution of the personal guaranty, and (ii) current financial statements of guarantor, as may from time to time be requested by Franchisor.

12. CONFIDENTIAL INFORMATION

12.1 **Franchisor's Confidential Information**.

A. Franchisee acknowledges and agrees that all information relating to the System and to the development and operation of the Restaurant, including, without limitation, the Manual, Franchisor's training program, customer and supplier lists, recipes, or other information or know-how distinctive to a Shawarma Stackz Restaurant (all of the preceding information is referred to herein as the "Confidential Information") are considered to be proprietary and trade secrets of Licensor and Franchisor. Franchisee agrees that all Confidential Information is to be held in the strictest of confidence during and after the term of this Agreement and is not to be divulged to anyone directly or indirectly at any time, except to Franchisee's Restaurant employees with a need to know the information in order to operate the Restaurant. Franchisee shall not acquire any interest in the Confidential Information other than the right to utilize it in the Restaurant and agrees not to copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, nor otherwise make them available to any unauthorized person, nor use them in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee shall adopt and implement all reasonable procedures to prevent unauthorized use, duplication or disclosure of Franchisor's Confidential Information. If Franchisee or Franchisee's employees learn about an unauthorized use of any trade secret or confidential materials, Franchisee must promptly notify Franchisor. Franchisor is not obligated to take any action but will respond to the information as it deems appropriate. If Franchisee at any time conducts, owns, consults with, is employed by or otherwise assists a similar or competitive business to that franchised hereunder, the doctrine of "inevitable disclosure" will apply, and it will be presumed that Franchisee is in violation of this covenant; and in such case, it shall be Franchisee's burden to prove that Franchisee is not in violation of this covenant.

B. Franchisee agrees that all ideas, concepts, techniques, materials, processes, or improvements to a Shawarma Stackz Franchise Business/Restaurant, whether or not constitutionally protectable intellectual property, and whether created by or on behalf of Franchisee, Franchisee's owners, Franchisee's employees, a third party, or otherwise, will be promptly disclosed to Franchisor, deemed to be Franchisor's sole and exclusive property, part of the System and deemed to be works made for hire for Franchisor. Franchisee agrees to provide Franchisor with all necessary information and execute all necessary documents with respect thereto, without compensation. Franchisee acknowledges that Franchisor may utilize or disclose such information to other Franchisees. Franchisor may require Franchisee and each of Franchisee's managers and employees execute covenants of confidentiality, in the form attached hereto as Exhibit FA-8, requiring that they do not disclose any Confidential Information.

12.2 **No Other Interests.** Franchisee further acknowledges that Franchisor would be unable to protect its Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Shawarma Stackz Restaurants if Franchisor's

Franchisees were permitted to hold an interest in other similar businesses and otherwise to compete with Franchisor. Therefore, during the term of this Agreement, Franchisee must comply with the competitive covenant provisions of Article 13 herein.

12.3 **<u>Injunctive Relief</u>.** Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of this Article 12. Franchisee acknowledges and agrees that any failure to comply with the requirements of this Article 12 will cause Franchisor irreparable injury for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to injunctive relief as specified in Section 16.2 (H) herein to enforce the terms of this Article 12. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of this Article 12. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law.

13. COVENANTS NOT TO COMPETE

13.1 **<u>Non-Competition Covenants of Franchisee</u>.** To prevent a conflict of interest and unfair competition based upon Franchisee's knowledge and use of the System, the Marks, and other Confidential Information, Franchisee, including all officers, directors, holders of beneficial interests of Franchisee, members, general partners, any limited partners and their respective spouses and immediate family members, covenant and agree, pursuant to this Agreement, that Franchisee, shall not without Franchisor's prior written consent, directly or indirectly, as an individual, owner, partner, stockholder, member, employer, employee, consultant, or in any other capacity, participate in or share the earnings or profit of any business (except through Franchisee's ownership of publicly-traded securities) that provides Middle Eastern-style restaurant food, or any similar business offering products of a similar nature to those of Shawarma Stackz Restaurants, or any concept (including, but not limited, to Shawarma Stackz Restaurants) franchised or owned and operated by Franchisor, its parent, or any of its affiliates, or in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses: (i) during the term of this Agreement and any extensions or renewals, at any location other than the Restaurant; (ii) for two (2) years after the expiration, termination or non-renewal (by Franchisor or by Franchisee for any reason) of this Agreement anywhere within a five (5) mile radius of the Restaurant location licensed under this Agreement or of any concept (including, but not limited, to Shawarma Stackz Restaurants) franchised or owned by Franchisor, its parent, or any of its affiliates; and (iii) for two (2) years after Franchisee has assigned its interest in this Agreement anywhere within a five (5) mile radius of the Restaurant location licensed under this Agreement or of concept (including, but not limited to, Shawarma Stackz Restaurants) franchised or owned and operated by Franchisor, its parent, or any of its affiliates.

13.2 **<u>Franchisor's Right to Offer or Sale Franchise to Employee of Franchisee</u>.** Franchisee acknowledges that Franchisor has the right to offer to sell or to sell a Shawarma Stackz Franchise to any employee of Franchisee.

13.3 **<u>Covenants of Affiliates of Franchisee</u>.** Upon Franchisor's request, Franchisee shall require the following persons to execute covenants, in the forms attached hereto as <u>Exhibit FA-9</u>, similar to those set forth in this Article 13 (including covenants applicable upon the termination of a person's relationship with Franchisee): (1) all owners of Franchisee, including officers, directors, members, partners, general partners, limited partners and holders of a beneficial interest of Franchisee, and (2) the spouse of each such person.

13.4 **Enforcement of Covenants.**

A. If Franchisee violates Section 13.1, above, and competes with Franchisor, Franchisor has the right to require that all sales made by the competing business ("Competitive Business") be reported to it. Franchisee will pay to Franchisor, on demand, a weekly fee of one thousand ($1,000) without being deemed to revive or modify this Agreement. These payments are liquidated damages to compensate Franchisor for its damages from Franchisee's violation of the covenant not to compete and are not a penalty.

B. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of the covenants in this Article 13. Franchisee acknowledges and agrees that in view of the nature of the System and the business of Franchisor, the restrictions contained in this Article 13 are reasonable and necessary to protect the legitimate interests of the Shawarma Stackz System and Franchisor. Franchisee further acknowledges and agrees that Franchisee's violation of the terms of this Article 13 will cause irreparable injury to Franchisor for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to preliminary and permanent injunctive relief and damages, as well as an equitable accounting of all earnings, profits, and other benefits arising from such violation, which remedies shall be cumulative and in addition to any other rights or remedies to which Franchisor shall be entitled. Franchisee agrees to waive any bond that may be required or imposed in connection with the issuance of any preliminary or provisional relief. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, and interest on such fees, costs and expenses, incurred by Franchisor in connection with the enforcement of this Article 13. If Franchisee violates any restriction contained in this Article 13, and it is necessary for Franchisor to seek equitable relief, the restrictions contained herein shall remain in effect until two (2) years after such relief is granted. If Franchisee contests the enforcement of Article 13 and enforcement is delayed pending litigation, and if Franchisor prevails, the period of non-competition shall be extended for an additional period equal to the period of time that enforcement of this Article 13 is delayed.

C. Franchisee acknowledges and agrees that in view of the nature of the System and the business of Franchisor, the restrictions contained in Article 13 are reasonable and necessary to protect the legitimate interests of the Shawarma Stackz Restaurants and other concepts franchised, or owned and operated by Franchisor, its parent or any of its affiliates. If, however, any court should find Article 13 or any portion of Article 13 to be unenforceable and/or unreasonable, the court is authorized and directed to reduce the scope or duration (or both) of the provision(s) in issue to the extent necessary to render it enforceable and/or reasonable and to enforce the provision so revised.

D. Franchisor shall have the right, in Franchisor's discretion, to reduce the scope of any covenant not to compete set forth in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee shall comply with any covenant as so modified.

14. TRANSFER OF INTEREST

14.1 **<u>Franchisor's Approval Required</u>.** All rights and interests of Franchisee arising from this Agreement are personal to Franchisee and except as otherwise provided in this Article 14, Franchisee shall not, without Franchisor's prior written consent, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, pledge or encumber its interest in this Agreement, in the license granted hereby, in the assets of the Restaurant, any of its rights hereunder, or in the lease for the premises at which the Restaurant is located, and any purported sale, assignment, transfer, pledge or encumbrances shall be null and void. If Franchisee is a corporation, limited liability company, partnership, or an individual or group of individuals, any assignment (or new issuance), directly or indirectly, occurring as a result of a single transaction or a series of transactions that alters the Percentage of Ownership Interest reflected in Section 17.2(B) of this Agreement must promptly be reported to Franchisor and is a "transfer" within the meaning of this Article 14. Franchisor's consent to a transfer is not a waiver of any claims Franchisor may have against Franchisee, and Franchisee is not relieved of any obligations under this Agreement, unless Franchisee receives an express written release signed by Franchisor, which Franchisor has the unrestricted right to provide or not. In any event, Franchisee's obligations under the post termination provisions of this Agreement will survive a transfer of the Franchise. Franchisor shall not be liable to Franchisee or to any proposed or actual transferee in connection with consent or denial of consent to a proposed transfer, or the exercise of any right by Franchisor that is consistent with this Agreement. Neither Franchisee nor any transferee will rely on Franchisor to assist in the evaluation of, or provide any guidance about, the terms of any proposed transfer. Franchisee acknowledges and agrees that an approval of a proposed transfer shall not be deemed to be an approval of the terms, nor any indication as to any likelihood of success or economic viability.

14.2 **<u>Right of First Refusal</u>**.

A. No transfer by Franchisee shall be permitted nor be binding on Franchisor unless a written offer has first been made to Franchisor of the proposed transfer. Franchisee shall provide Franchisor the following: (i) a purchase agreement or letter of intent signed by the proposed transferee and by Franchisee specifying all the terms and conditions of the offer, (ii) the name, address and telephone number of the proposed assignee, (iii) a copy of the most recent income statement and the income statement for the Restaurant's last fiscal year end, (iv) financial statements of the proposed transferee, and (v) any other information or documents as may be reasonably be requested by Franchisor. Franchisor shall have thirty (30) days from receipt of all of the above information to accept the offer, by written notice to Franchisee, upon the same terms and conditions offered by the proposed transferee.

B. In the event that Franchisor does not exercise its right of first refusal and the offer changes in any way, or another offer is made to Franchisee, this new offer must also be presented to Franchisor before Franchisee may consummate the new offer. Franchisor has thirty (30) days to accept the new offer, by written notice to Franchisee, upon the same terms and conditions offered by the proposed transferee. Any offer that Franchisor does not match must be transacted within ninety (90) days from the date that Franchisor informs Franchisee of its intent not to exercise its right of first refusal. If the transaction does not take place within ninety (90) days, Franchisor has the right to re-evaluate and match the offer if it elects to do so by notice to Franchisee.

14.3 **<u>Conditions for Approval of Transfers</u>.** If the required offer has been made and the offer has not been accepted by Franchisor within the acceptance period, Franchisor shall not unreasonably withhold its approval of the transfer, provided that the prospective transferee, in Franchisor's reasonable judgment, is of good moral character and reputation, has no conflicting interests, has a good credit rating and sufficient and competent business experience, aptitude and financial resources acceptable under Franchisor's then current standards for new franchisees, will devote best efforts to management of the Restaurant and such other commercially reasonable factors as are in Franchisor's judgment are applicable, and further provided that the Franchisor shall require that the following conditions be met prior to or concurrently with the effective date of the transfer:

A. The transferee shall be approved in writing by Franchisor;

B. The transfer is upon terms and conditions that are not more favorable to the transferee than the terms and conditions offered to Franchisor;

C. Franchisee shall have satisfied all outstanding obligations, monetary or otherwise, of Franchisee to Franchisor and its affiliates and shall have satisfied any obligations to any person or entity in connection with the construction, equipment, products, leasing, financing, operation or supply of Franchisee's Restaurant (collectively, "vendor obligations"), except for disputed vendor obligations that, in Franchisor's judgment, Franchisee is working in good faith to resolve;

D. Franchisee shall have substantially complied with all of the terms and conditions of this Agreement and any amendments hereof, and is not in default of any provision of this Agreement, including, but not limited to, meeting the System Standards set forth by Franchisor;

E. If required by lease, the landlord of the premises of the Restaurant has consented to Franchisee's transfer or sublease of said premises, a copy of which consent shall be provided to Franchisor (which lease shall continue to have the riders or addenda protecting Franchisor's interest, as set forth in Section 7.2);

G. At the time the proposed transfer is first presented to Franchisor for approval or disapproval, Franchisee shall pay Franchisor a transfer fee in an amount equal to fifty percent (50%) of the then-current Initial Franchise Fee to cover Franchisor's expenses for training, supervision, administrative costs, overhead, legal and accounting fees, and other incurred expenses in connection with the transfer. If the proposed transfer is to an existing Shawarma Stackz Franchisee, then the transfer fee will be reduced to an amount equal to forty percent (20%) of the then-current Initial Franchise Fee. The transfer fee, less any administrative costs incurred by Franchisor to review the proposed transfer and evaluate the prospective transferee, is refundable if the proposed transfer is not approved by Franchisor.

H. Franchisee shall enter into an agreement with Franchisor agreeing to subordinate any obligations which transferee owes to Franchisee to the obligations which transferee owes to Franchisor, including, without limitation, any Continuing Royalty Fees or Marketing Fund Contributions;

I. No security interest and/or no right to retake possession, ownership or any other such interest may be created in or with respect to any of the assets or business of the Restaurant, without Franchisor's express written consent, which Franchisor is under no obligation to provide. If any authorized or unauthorized attempt to create a security interest and/or a right to retake possession, ownership or any other such interest in the assets or business of the Restaurant is permitted and/or held to be effective, (a) Franchisor shall have the right and option to be substituted as obligor to the secured party and to cure any default of the then current Franchisee; and (b) Franchisor shall have the right and option to impose reasonable conditions upon the secured party, including the following, each of which are agreed to be reasonable: a general release from the secured party (and its owners and affiliates) in form satisfactory to Franchisor of all claims, known or unknown, with respect to Franchisor and/or Franchisor's affiliates and/or any of their respective employees, officers, directors, shareholders, members, agents and/or representatives and/or any of them; the curing by the secured party of any and all outstanding defaults under the Franchise Agreement; and an agreement by the secured party to indemnify Franchisor and Franchisor's affiliates in connection with any transfer of the assets or business of the Restaurant and/or any reacquisition thereof;

J. If Franchisor approves the transfer request, the proposed transferee, including all shareholders, members, and partners of the transferee shall jointly and severally execute a written assignment from Franchisee in a form satisfactory to Franchisor, wherein such proposed transferee shall assume all of Franchisee's obligations hereunder;

K. The transferee must, at Franchisor's option, i) agree to be bound by all the terms and conditions of this Agreement and ancillary documents (including guarantees) for the remainder of the term, or ii) execute Franchisor's then current standard form franchise agreement for the remainder of the transferor's franchise term and ancillary documents (including guarantees) as are then customarily used by Franchisor in the grant of franchises, which may contain terms materially different from this Agreement. In the event Franchisor selects ii), above, Franchisee may choose to execute Franchisor's then current standard form franchise agreement and ancillary documents (including guarantees) as are then customarily used by Franchisor in the grant of franchises for the full term generally awarded to new franchisees as of the time of the transfer. In that event, Franchisor will require a payment from the transferee concurrent with the signing of the new franchise agreement. Such payment shall be calculated by multiplying the then-current Initial Franchise Fee for a single Restaurant by the percentage representing the difference between the full term of the new agreement and the remaining term of the existing franchise agreement for the Restaurant the transferee is acquiring. By way of illustration, if four (4) years of the initial term of a transferring franchise are remaining at the time of transfer, and if a new eight (8)-year term is awarded by Franchisor, then Franchisor will charge the pro-rated fee, which shall be fifty percent (50%) of the then-current Initial Franchise Fee. Any such fee is non-refundable and in addition to any other fees owed by the transferee or transferor in connection with such transfer;

L. The transferee, including all current and future shareholders, members or partners owning ten percent (10%) or more of the transferee, and any beneficial owners of ten percent (10%) or more of transferee that will become the new Franchisee shall personally guarantee performance of the franchise agreement in a form prescribed by Franchisor;

M. Franchisee and transferee, including all their shareholders, members or partners and any beneficial owners of Franchisee and transferee shall execute and deliver to Franchisor all other documents necessary to complete the transfer in a form prescribed by Franchisor;

N. Franchisee, including all its shareholders, members or partners and any beneficial owners of Franchisee, shall execute a general release in the form and substance satisfactory to Franchisor;

O. Franchisee will be required to deposit into an escrow account funds in an amount equal to the anticipated cost of any refurbishing or remodeling necessary to bring the Restaurant up to the then-current design and equipment standards at the time of the transfer. Funds from the escrow account will be released to Franchisee as per invoice submitted by Franchisee evidencing work completed to Franchisor; and

P. The transfer must be completed in compliance with the terms of any applicable leases and other agreements and with all applicable laws, including but not limited to licensing and operations-related laws and/or laws governing franchise sales and time periods for making of disclosures or receipt of payments.

Q. If transferee is a corporation or limited liability company, the following requirements apply:

(1) All stock certificates representing shares in the corporation or evidence of ownership in the limited liability company, whichever is applicable, must clearly indicate that they are subject to the terms of this Agreement.

(2) No new common or preferred voting shares in the corporation or similar interests in the limited liability company, whichever is applicable, can be issued to any person, trust, foundation, corporation or other entity without Franchisor's prior written approval.

(3) All shareholders, officers, directors and any beneficial owners of the transferee corporation, or all members or beneficial owners of the transferee limited liability company, whichever is applicable, must personally guarantee the corporation's or limited liability company's performance of its obligations under the Franchise Agreement.

(4) Transferee shall provide Franchisor with a copy of the fully-executed legal documents that reflect the formation of the business entity, including evidence of distribution of ownership.

(5) Regardless of the foregoing, nothing contained herein shall be construed to permit Franchisee to disclose any Confidential Information to a prospective transferee without the express written consent of Franchisor.

14.4 **Transfer to Franchisee's Business Entity**. If Franchisee is an individual or partnership, and desires to assign and transfer its rights, assets and obligations under this Agreement to a corporation or limited liability company that is wholly-owned by Franchisee and formed for the convenience of ownership, it may if the following conditions are met:

A. Franchisee shall obtain the written consent to the proposed assignment from Franchisor, and Franchisee, and all its shareholders, members or partners, and Franchisee's transferee corporation or limited liability company, shall execute the then current consent to assignment, guaranty and general release form(s) prescribed by Franchisor, as well as all other documents customarily required by Franchisor relating to such a transfer. Franchisor's current form of assignment, guaranty and general release is an exhibit to the Franchise Disclosure Document received by Franchisee, as acknowledged by Franchisee in Section 18.4 of this Agreement. Franchisor reserves the right to revise and update these forms from time to time as it deems appropriate;

B. Franchisee's corporation or limited liability company is newly organized, and its activities are confined exclusively to acting as a Shawarma Stackz Franchisee under this Agreement;

C. Franchisee is in full compliance with this Agreement;

D. Franchisee is current in meeting all financial obligations to Franchisor and its affiliates;

E. Franchisee shall own and control all of the equity and voting power of all issued and outstanding stock of the transferee corporation or all of the equity and voting power of the limited liability company and, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the corporation or limited liability company as he or she had in Franchisee prior to the transfer;

F. Franchisee actively manages the corporation or limited liability company and continues to devote his best efforts to the development and operation of the license and the business of the Restaurant;

G. Franchisee executes a written assignment to said transferee corporation or limited liability company, and Franchisee and all shareholders of the transferee corporation or all members of the limited liability company, execute a document in a form prescribed by Franchisor in which they agree to remain jointly and severally liable for full payment and performance and all obligations under this Agreement;

H. Franchisee submits to Franchisor a copy of Franchisee's Articles of Incorporation, partnership documents, operating agreement, bylaws, or a copy of those fully-executed legal documents that reflect the formation of such entity, including evidence of distribution of ownership. Franchisee must also provide Franchisor with a certificate of good standing from the state where Franchisee's entity is formed;

I. No new common or preferred voting shares in said corporation, or any similar interests in said limited liability company, whichever is applicable, are issued to any person, partner, partnership, trust, foundation, corporation, limited liability company or other entity of any kind without Franchisor's prior written consent, which consent will not be unreasonably withheld, and then only upon disclosure of the terms and conditions contained herein being made to the prospective new holders of the stock or membership interests, whichever is applicable;

J. The corporate or limited liability company name of Franchisee's business entity may not include Shawarma Stackz Restaurant or any of the Marks licensed under this Agreement; and

K. Franchisee shall pay Franchisor a transfer fee in the amount of $2,500 prior to such transfer.

14.5 **Transfers of Shares or Membership Interest in Franchisee**.

A. Provided that the conditions and requirements described in Section 14.5 B. below are first waived in writing by Franchisor or met to the full satisfaction of Franchisor, Franchisor shall not unreasonably withhold its consent to any transfer by a transferring Franchisee of less than Control of Franchisee, or any transfer of less than Control of the rights of any Person in and to this Agreement, the franchise, and/or the Restaurant granted herein, when requested. For purposes of this Article 14, "Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or general partnership or managing member interests, by contract or otherwise. The definition is to be construed to apply equally to variations of the word "Control" including "Controlled," "Controlling" or "Controlled by." Without limiting the generality of the foregoing, a Person shall be deemed to Control any other Person in which it owns, directly or indirectly, a majority of the ownership interests. "Person" means any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, or other organization, whether or not a legal entity, and any governmental authority. Franchisee, and any Person owning an interest in Franchisee, or this Agreement, whether an individual, partnership, limited liability company, corporation or other organization or entity, shall maintain adequate and accurate accounts, books and records of its business and the ownership interest of Franchisee. All of such accounts, books and records shall be kept at the principal executive office of Franchisee in the State of operation of the Restaurant, and Franchisor shall have the right, upon 24 hours' notice, to inspect such records for compliance with the conditions and restriction contained in this Agreement.

B. If the Transferring Franchisee desires to make a transfer as described in Section 14.5 A:

(1) such transferee Person shall be an individual;

(2) such transfer shall not constitute nor result in a change in Control of Franchisee;

(3) such transferee Person shall enter into a written assumption agreement (in a form satisfactory to Franchisor), in which the transferee Person assumes and agrees to be jointly and severally liable, as applicable, for all of the Transferring Franchisee's obligations hereunder;

(4) such transferee Person with a ten percent (10%) or more interest in Franchisee as a result of such Transfer, or through a series of Transfers, shall enter into a written agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of Franchisee's obligations under this Agreement;

(5) each stock certificate of a transferee corporation shall have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement;

(6) Franchisee shall pay Franchisor a transfer fee in the amount of $2,500 prior to such transfer; and

(7) all accrued monetary obligations of Franchisee to Franchisor, its subsidiaries or assignees, shall be satisfied prior to assignment or transfer, and Franchisee shall not be in default under the terms of this Agreement.

14.6 **Death or Disability of Franchisee**. In the event of the death or disability of Franchisee, if an individual, or of a stockholder of a corporate Franchisee, or of a partner of a Franchisee which is a partnership, or a member of a Franchisee which is a limited liability company, the transfer of Franchisee's or the deceased stockholder's, partner's or member's interest in this Agreement to his or her heirs, trust, personal representative or conservators, as applicable, shall not be deemed a transfer by Franchisee (provided that the responsible management employees or agents of Franchisee have been satisfactorily trained at Franchisor's Initial Training), nor obligate Franchisee to pay any transfer fee (provided, however, the then-current Additional Training Fee shall be payable if there is to be new management of the Restaurant who have not previously received the Initial Training provided by Franchisor) nor give rise to Franchisor's right of first refusal, although such refusal right or obligation to pay shall apply to any proposed transfer by such heirs, trust, personal representative or conservators; provided however, if Franchisor determines (i) there is no imminent transfer to a qualified successor or (ii) there is no heir or other principal person capable of operating the Restaurant, Franchisor shall have the right, but not the obligation, to immediately appoint a manager and commence operating the Restaurant on behalf of Franchisee. Franchisee shall be obligated to, and shall pay to Franchisor a Support Fee, as describe in Section 5.10 above, plus travel and living expenses of the Franchisor's appointed manager. Operation of the Restaurant during any such period shall be for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee or its owners for any debts, loses or obligations incurred by the Restaurant, or to any creditor of Franchisee for any supplies, inventory, equipment, furniture, fixtures or services purchased by the Restaurant during any period in which it is managed by a Franchisor appointed manager. If such person or entity does not wish to continue as Franchisee, such person or entity shall transfer its interest within a reasonable time, not to exceed six (6) months from the date of death or permanent disability, to a third party approved by Franchisor. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to all the terms and conditions for assignments and transfers contained in Article 14 of this Agreement. Failure to so dispose of such interest within the period of time stated above shall constitute a breach under Article 15 of this Agreement.

14.7 **Relocation**. Upon Franchisor's prior written consent, Franchisee may relocate the Restaurant within the Protected Area during the Term at Franchisee's own expense if:

A. without the fault of Franchisee, the lease or sublease terminates prior to the expiration of the Term or the premises are, in the sole opinion of Franchisor, damaged, condemned or otherwise rendered unusable;

B. Franchisee is released by the Lessor from all of its obligations to the Lessor of the premises and the Lessor releases any security held;

C. Franchisee secures a lease or sublease for suitable substitute premises (the "Substitute Location") for operation of the Restaurant on terms and conditions suitable to Franchisor in its absolute discretion;

D. the Substitute Location is fitted out at the cost of Franchisee and otherwise in accordance with Sections 6.2 B. and 6.2 C. above; and

E. Franchisee agrees to develop the Substitute Location in compliance with Franchisor's standard specifications for the design and layout of a typical Shawarma Stackz Restaurant and required leasehold improvements, as modified or revised if applicable with Franchisor's prior written consent.

Franchisee must apply for Franchisor's consent to relocate to the Substitute Location and execute a general release in favor of Franchisor, both in the form prescribed by Franchisor. Franchisor will consent to or reject Franchisee's relocation application in accordance with Franchisor's then-current relocation and closure policy. If the Restaurant is temporarily closed pending relocation, Franchisee may not assign any interest in the franchise to another party or entity until such time as the Restaurant is once again in operation, as determined by Franchisor. Any such relocation shall be at Franchisee's sole expense and Franchisor shall have the right to charge Franchisee for any costs incurred by Franchisor, and a reasonable fee for its services, in connection with any such relocation.

If Franchisor does not approve any Substitute Location or if Franchisee is unable to negotiate a new lease or sublease pursuant to Section 6.1 of this Agreement within ninety (90) days after the Restaurant ceases to operate from the Authorized Location, Franchisor may terminate this Agreement by written notice to Franchisee. Franchisor is not required to pay any compensation to Franchisee or any other person in respect of the termination.

14.8 **Transfer by Franchisor**. This Agreement is fully assignable by Franchisor and shall inure to the benefit of any assignee or other legal successor to the interests of Franchisor herein, and Franchisor may sell, assign, or otherwise transfer all or any part of its rights or obligations herein or any other assets of Franchisor or its owners, directly or indirectly, to any person or legal entity, without notice to or approval of Franchisee, at any time.

15. DEFAULT AND TERMINATION OF AGREEMENT

15.1 **Franchisee Claims.** Franchisee understands that Franchisee is not permitted to terminate this Agreement for any default committed by Franchisor, except as permitted by applicable law. If Franchisee claims that such a material default exists, or if Franchisee has any other basis for terminating this Agreement or for making any other claim against Franchisor, Franchisee agrees to give Franchisor written notice thereof, and thirty (30) days to cure such default. Franchisee agrees that Franchisee shall not take any action to terminate this Agreement or otherwise until Franchisor has been given such notice and an opportunity to cure. If Franchisor cannot reasonably cure within such thirty (30) day period, and is diligently continuing efforts to cure, then Franchisor shall have ninety (90) days to cure; provided that any claim for equitable relief with respect to a dispute under Section 16.2 (H) will not be subject to this Section.

15.2 **Termination of Franchise by Franchisor**. Franchisor shall have the right to terminate this Agreement for "good cause" upon delivering notice of termination to Franchisee. For purposes of this Agreement, "good cause" shall include, but not be limited to: (i) a material breach of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, (ii) intentional, repeated or continuous breach of any provision of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, and (iii) the breaches set forth below:

A. **Immediate Termination**. Franchisee shall be deemed to be in default and Franchisor may terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, and such termination shall be for good cause where the grounds for termination are:

(a) Franchisee has made any material misrepresentation or omission in applying for the franchise or in executing or performing under this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates;

(b) Franchisee becomes insolvent by reason of Franchisee's inability to pay debts as they become due, or makes an assignment for the benefit of creditors or makes an admission of Franchisee's inability to pay obligations as they become due;

(c) Franchisee files a petition in bankruptcy, or an involuntary petition in bankruptcy is filed against Franchisee or a receiver is appointed for Franchisee's business, or a final judgment remains unsatisfied or of record for thirty (30) days or longer; or if Franchisee is a corporation, limited liability company or partnership, Franchisee is dissolved;

(d) Franchisee voluntarily abandons or discontinues to actively operate the Restaurant for two (2) business days or more in any twelve (12) month period;

(e) Franchisee operates the Restaurant in a manner that presents a health or safety hazard to its customers, employees or the public;

(f) Franchisee or any of its principal officers, directors, partners or managing members is convicted of or pleads no contest to a felony or other crime or offense that adversely affect the reputation of the System or the goodwill associated with the Marks;

(g) Franchisee or any partner, member or shareholder in Franchisee makes, purports to make or attempts to make an unauthorized direct or indirect transfer of this Agreement or any rights or obligations under this Agreement, or makes, purports to make or attempts to make an unauthorized direct or indirect transfer of an ownership interest in the Franchise, or fails or refuses to transfer the Franchise or the interest in the Franchise of a deceased or disabled controlling owner thereof as otherwise required in this Agreement;

(h) Franchisee falsifies any financial reports or records required to be provided by Franchisee to Franchisor under this Agreement or an audit of Franchisee's records discloses an understatement by Franchisee of its Gross Sales by two percent (2%) or more;

(i) Franchisee's disclosure, utilization, or duplication of any portion of the System, the Manual or other proprietary or Confidential Information relating to the Restaurant that is contrary to the provisions of this Agreement;

(j) Franchisee fails to obtain lawful possession of an acceptable location within six (6) months of signing this Agreement.

(k) Franchisee fails to open for regular, continuous business as a Shawarma Stackz Restaurant within fifteen (15) months after this Agreement is accepted by Franchisor, unless Franchisor extends the opening date, but in no event later than eighteen (18) months after the date that Franchisor accepts this Agreement;

(l) Franchisee defaults under the lease or sublease, or otherwise loses the right to possess the premises at the Authorized Location for the Restaurant and fails to secure a Substitute Location approved by Franchisor within ninety (90) days after the Restaurant ceases to operate from the Authorized Location;

(m) Franchisee fails to comply with the confidentiality and non-competition covenants, as required in Article 12 and Article 13, herein;

(n) Franchisee offers, sells, markets, distributes, delivers, serves and/or promotes any products/services which are not authorized by Franchisor as required in Section 8.6, above;

(o) Franchisee closes any bank account without completing all of the following forthwith after such closing; (i) immediately notifying Franchisor thereof in writing, (ii) immediately establishing another bank account, and (iii) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by electronic funds transfer as Exhibit FA-2 and Exhibit FA-3 to this Agreement permit;

(p) Franchisee loses or fails to obtain or maintain, any permit or license necessary to operate the Restaurant; or

(q) Franchisee, after curing a default pursuant to Section 15.2B. herein, commits the same act of default again within any twelve (12) consecutive month period, whether or not such default is cured after notice thereof is delivered to Franchisee, or if Franchisee receives five (5) or more default notices from Franchisor within any twelve (12) consecutive monthly period, or ten (10) or more default notices from Franchisor during the term of this Agreement, whether or not any such defaults were related to the same problem or were cured after notice thereof was delivered to Franchisee.

B. **Termination with Notice**. In addition to the provisions of Section 15.2A., if Franchisee shall be in default under the terms of this Agreement and the default shall not be cured or remedied (to Franchisor's satisfaction) within thirty (30) days after receipt of written notice from Franchisor [or ten (10) days prior notice in the event of a default described in Subsections (b), (f), (g), (h), (j), and (p) below], in addition to all other remedies available to Franchisor at law or in equity, Franchisor may at any time thereafter immediately terminate this Agreement. If any such default is not cured within the specified cure period, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of the cure period. Franchisee shall be in default, and each of the following shall constitute good cause for termination under this Agreement:

(a) Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent any time such approval or consent is required by this Agreement (except for a transfer or attempted transfer of an interest in this Agreement without approval (for which Franchisor has the right to terminate this Agreement immediately without right to cure), as provided in Section 15.2A.(f) above);

(b) Franchisee uses any name, marks, system or symbol not authorized by Franchisor, or Franchisee commits any act or practice that impairs or imminently threatens to impair the goodwill associated with the Marks, as determined by Franchisor;

(c) Franchisee fails to comply with any provision of this Agreement that does not otherwise provide for immediate termination, or fails to comply with the Manual, or Franchisee's bad faith in carrying out the terms of this Agreement;

(d) Franchisee fails (i) to maintain books and financial records for the Restaurant suitable for proper financial audit, (ii) to submit, as required by this Agreement, all reports, records and information of the Restaurant or (iii) to permit Franchisor to carry out Franchisor's rights to conduct an inspection or audit, as provided in this Agreement;

(e) Franchisee and, if Franchisee has elected not to directly supervise "on-premises" the day-to-day Restaurant operations, Franchisee's Operating Partner fail to complete to Franchisor's satisfaction the Initial Training as provided in this Agreement;

(f) Franchisee fails or refuses to pay when due any amount owing to Franchisor or its affiliates under this Agreement or any other agreement, or is unable to obtain adequate financing to cover all costs of developing, opening and operating the Restaurant;

(g) Franchisee fails or refuses to pay when due any amounts owing to any person or entity in connection with the construction, equipment, products, leasing, financing, operation or supply of the Restaurant, except, in Franchisor's sole judgment, for disputed amounts that Franchisee is working in good faith to resolve;

(h) Franchisee fails to maintain or suffers cancellation of any insurance coverage required under this Agreement;

(i) Franchisee violates any health or safety law, ordinance or regulation;

(j) Franchisee fails to comply with the then current Shawarma Stackz Restaurant staffing requirements, as stated by Franchisor in the Manual or in other written requirements;

(k) Franchisee fails to obtain execution of the confidentiality and non-competition covenants as required in Articles 12 and 13 herein;

(l) Franchisee fails to execute any exhibits, addendum, attachments, or agreements to this Agreement requiring Franchisee's signature;

(m) If Franchisee, by act or omission, permits a continued violation in connection with the operation of the Restaurant of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief there from;

(n) Franchisee fails to comply with the System Standards as set forth in Section 8.13 of this Agreement, as prescribed by Franchisor, or in the Manual, including, but not limited to, cleanliness, customer service, food specifications and preparation, equipment maintenance, and any other System Standards which effect or enhance the Restaurant;

(o) Franchisee fails to maintain and operate the Restaurant in accordance with any provisions, specifications, methods, standards or procedures prescribed by Franchisor for the System, including, but not limited to, complying with the provisions of this Agreement, the Manual and other written materials;

(p) Franchisee fails to abide by the pertinent marketing and advertising requirements and procedures and participate in marketing programs for the business as established by Franchisor; or

(q) Franchisee fails to use an approved or designated supplier for a specified product or service, as required by Franchisor.

15.3 **Cross-Default.** If there are now, or hereafter shall be, other franchise agreements or any other agreements in effect between Franchisee and Franchisor and/or any of Franchisor's affiliates, a default by Franchisee under the terms and conditions of this or any other such agreement, shall at the option of Franchisor, constitute a default under all such agreements.

15.4 **State Laws.** Notwithstanding anything to the contrary in this Article 15, in the event any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement or the parties hereto shall limit Franchisor's rights of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the requirements of such laws and regulations, but in such event the provisions of the Agreement thus affected shall be amended only to the extent necessary to bring it within the requirements of the law or regulation.

15.5 **Subsequent Defaults.** The description of any default in any notice served by Franchisor hereunder upon Franchisee shall in no way preclude Franchisor from specifying additional or supplemental defaults in any action, arbitration, hearing or suit relating to this Agreement or the termination thereof.

15.6 **Obligations of Franchisee upon Termination, Expiration or Non-Renewal.**

A. **Payment of Amounts Owed to Franchisor**. Franchisee agrees to pay to Franchisor and its affiliates within ten (10) days after the effective date of termination or expiration of the Franchise, such Continuing Royalty Fees, Marketing Fund Contributions, amounts owed for products purchased by Franchisee from Franchisor and its affiliates, and all other amounts owed to Franchisor and its affiliates which are then unpaid, including any interest and late fees due pursuant to this Agreement as provided in Section 5.6.

B. **Return the Manual.** Franchisee agrees that upon termination, expiration, or non-renewal of the Franchise, it will immediately return to Franchisor all copies of the Manual for the Restaurant which have been loaned to it by Franchisor.

C. **Discontinue Use of Intellectual Property, Confidential Information and Trade Dress.** Upon termination or expiration of the Franchise, Franchisee shall have no further rights to use, in any manner, the System or the Marks. Franchisee agrees to immediately and permanently discontinue operation of the Restaurant and any use of the intellectual property and/or the Confidential Information owned by Franchisor, and will not use any similar or derivative marks, or materials, or colorable imitations of any such intellectual property in any medium or manner or for any purpose. Franchisee will remove from the Authorized Location any distinctive signage, physical and/or structural features associated with the Restaurant, so that the premises are clearly distinguished from other Shawarma Stackz Restaurants and do not create any public confusion (to the extent the Restaurant has not been assigned in connection with an authorized transfer or purchased by Franchisor). Franchisee agrees not to identify itself, or any business it may operate or in which it may become involved, or to advertise or promote itself in any manner, as a present or former Shawarma Stackz Franchisee. At Franchisee's request, Franchisor may, but is not obligated to do so, repurchase certain branded materials from Franchisee, at the cost paid by Franchisee.

D. **Cancellation of Assumed Names, Transfer of Phone Numbers and Internet Sites.** Franchisee agrees that upon termination or expiration of the Franchise, it will take such action as may be required to cancel all fictitious and assumed names or equivalent registrations relating to its use of the Marks and to notify the telephone/communication service provider and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and any classified and other telephone and online directory listings associated with any Marks and the Shawarma Stackz Restaurant and to authorize transfer of same to Franchisor or its designee. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers and directory listings associated with any Marks of the Shawarma Stackz Restaurant and Franchisee authorizes Franchisor, and hereby appoints Franchisor and any officer of Franchisor as its attorney-in-fact, to direct the telephone/communication service provider and all listing agencies to transfer the same to Franchisor or its designee should Franchisee fail or refuse to do so. The telephone/communication service provider and all listing agencies may accept such direction or this Agreement as conclusive evidence of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer. Franchisee agrees to sign any documents and/or pay any amounts required by a telephone/communication services provider as a condition to Franchisor exercising any rights under this Section. If Franchisor is required to pay any amounts owed by Franchisee, to any telephone/communication services provider or otherwise, in connection with Franchisor exercising its rights under this Section or otherwise obtaining/exercising rights to the telephone numbers, Franchisee will immediately reimburse Franchisor for such amounts and all related costs, on demand. Franchisee will also be required to cancel or if Franchisor so elects to have assigned to Franchisor, all ownership of any and all computerized media or electronic media, including but not limited to the World Wide Web, Internet addresses/sites, Yelp and Google Review accounts, Telnet, news groups, bulletin boards, FTP, and the like which presently or which may later exist. Franchisee shall also comply as to the terms of the Telephone Numbers and Directory Listings Agreement attached hereto as Exhibit FA-4.

E. **Franchisor has the Right to Purchase the Restaurant.** If this Agreement is terminated prior to its scheduled expiration date by Franchisor in accordance with the provisions of this Agreement, Franchisor or its designee shall have the right and option (exercisable by written notice thereof within thirty (30) days after the determination of the purchase price pursuant to this Paragraph) to purchase (at the purchase price determined pursuant to this Paragraph) from Franchisee some or all of the assets (including Franchisee's inventory of saleable products which have been fully paid for by Franchisee) of the Restaurant and if the premises were not leased to Franchisee by Franchisor or its affiliates, the right to an assignment of Franchisee's lease or sublease for the premises of the Restaurant (or, if assignment is prohibited, a sublease for the full remaining term and on the same terms and conditions as Franchisee's lease). There shall be no provision for payment for leasehold improvements, the title of which shall be governed by the terms of Franchisee's lease or sublease for the Restaurant premises. The purchase price for the assets of the Restaurant shall be the depreciated value of those assets as shown on Franchisee's most current federal tax return; provided that the purchase price shall not contain any factor or increment for "goodwill" or "going concern value." Franchisor may exclude from the assets purchased hereunder any fixtures, equipment, signs or products and supplies in the inventory of the Restaurant that are not approved as meeting quality standards for a Shawarma Stackz Restaurant. The purchase price shall be paid by Franchisor in cash at the closing of the purchase, offset by any amounts owed to Franchisor by Franchisee. Contemporaneously therewith, Franchisee shall: (i) deliver instruments transferring good and merchantable title to the assets purchased, free and clear of all liens and encumbrances to Franchisor or its nominee with all sales and other transfer taxes paid by Franchisee; and (ii) assign or transfer all licenses or permits which may be assigned or transferred. In the event that Franchisee cannot deliver clear title to all of the purchased assets as aforesaid, or in the event there shall be other unresolved issues, the closing of the sale shall be accomplished through an escrow. Further, Franchisee and Franchisor shall, prior to closing, comply with any applicable bulk filings required in the state where the Restaurant is located. If Franchisor exercises its option to purchase, pending the closing of such purchase as hereinabove provided, Franchisor shall have the right to appoint a manager to maintain the operation of the Restaurant. Alternatively, Franchisor may require Franchisee to close the Restaurant during such time period without removing therefrom any assets. Franchisee shall maintain in force all required insurance policies until the date of closing. In connection with such purchase, Franchisee (and each owner and/or affiliate of Franchisee) will execute a general release, in form prescribed by Franchisor, of any and all claims, liabilities and/or obligations against Franchisor and its affiliates. If agreement on the depreciated value is not reached by Franchisee and Franchisor within ten (10) days after the effective date of termination, the determination of depreciated value (as above defined) shall be submitted to an independent appraiser selected by Franchisor. All fees, costs and expenses of such independent appraiser shall be borne equally by Franchisor and Franchisee. In the event Franchisor does not exercise said option to purchase, Franchisee shall, within ten (10) days after the earlier of (i) the expiration of the option period without exercise by Franchisor of its option or (ii) service by Franchisor upon Franchisee of written notice that Franchisor does not intend to exercise its option, remove from the Restaurant by physical removal or in the case of signs, by obliteration, painting over or otherwise, and cease to use, either at the Restaurant or elsewhere, all names, distinctive architectural or other designs, signs, pictures, crests, shields, and other advertising and equipment which are indicative of Franchisor or Franchisee. All products which are not merchantable due to physical deterioration or which are "out-of-date" shall be destroyed by Franchisee.

F. **Liquidated Damages for Premature Termination.** Franchisor and Franchisee agree that, at the time this Agreement is entered into, it would be extremely difficult or impracticable to ascertain Franchisor's damages if the Agreement is terminated as a result of Franchisee's default under this Agreement. Therefore, the parties reasonably estimate in good faith that fair compensation to Franchisor for such termination shall be as follows: Franchisee will pay to Franchisor a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to: (i) the total of all Royalty Fees paid for the 36 calendar months of operation of the Restaurant immediately preceding Franchisee's default; (ii) the average amount of all Royalty Fees paid for the period of time the Restaurant has been in operation preceding Franchisee's default, if less than 36 calendar months, projected on a 36-calendar month basis; or (iii) the average amount of all Royalty Fees paid for the period of time the Restaurant has been in operation preceding Franchisee's default, if the unexpired Term is less than 36 months at the time of termination. The parties agree that a precise calculation of the full extent of the damages that Franchisor will incur on termination of this Agreement as a result of Franchisee's default is difficult and the parties desire certainty in this matter in the extreme, and agree that the lump sum payment provided under this Paragraph is reasonable in light of the damages for premature termination that Franchisor will incur in this event. This payment is not exclusive of any other remedies that Franchisor has, including attorney's fees and costs.

G. **Continuing Obligations.** All obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration or termination of the Franchise shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire.

15.7 **Franchisor's Rights and Remedies in Addition to Termination.** If Franchisee shall be in default in the performance of any of its obligations or breach any term or condition of this Agreement, in addition to Franchisor's right to terminate this Agreement, and without limiting any other rights or remedies to which Franchisor may be entitled at law or in equity, Franchisor may, at its election, immediately or at any time thereafter, and without notice to Franchisee cure such default for the account of and on behalf of Franchisee including, without limitation, entering upon and taking possession of the Restaurant and to taking in the name of Franchisee, all other actions necessary to effect the provisions of this Agreement and any such entry or other action shall not be deemed a trespass or other illegal act, and Franchisor shall not be liable in any manner to Franchisee for so doing, and Franchisee shall pay the entire cost thereof to Franchisor on demand, including reasonable compensation to Franchisor for the management of the Restaurant. If this Agreement is terminated by Franchisor with cause or Franchisee unilaterally attempts to terminate this Agreement without cause, then Franchisee may be liable for all unpaid future Royalty Fees, Marketing Fund Contributions, and lost profits, as well as any other direct, actual, or consequential damages for the remainder of the Term of this Agreement.

16. RESOLUTION OF DISPUTES

16. **DISPUTE RESOLUTION.**

For the purposes of this Section 16, "Franchisee" shall be deemed to include its owners, affiliates and its respective employees, and "Franchisor" shall be deemed to include Franchisor, its parent, and its affiliates.

16.1 **Mediation, Mandatory Binding Arbitration, and Waiver of Court Trial.** Franchisee and Franchisor believe that it is important to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. Franchisee and franchisor have agreed that the provisions of this Section 16 support these mutual objectives and, therefore, agree as follows:

A. **Claim Process**. Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever, between or involving Franchisee and any of its affiliates, on the one hand, and Franchisor and any of its affiliates, on the other hand, arising out of, related to, or referencing this Agreement or its breach in any way, including, without limitation, any claim arising in contract or tort arising out of the relationship created by this Agreement, for equitable relief, or asserting that this Agreement is invalid, illegal, or void, ("Claim") shall be processed in the following manner, Franchisee and Franchisor each expressly waiving all rights to any court proceeding, except as expressly provided below at Section 16.1 D.

(i) First, the Claim will be discussed in a face-to-face meeting held within thirty (30) days after either Franchisee or Franchisor gives written notice to the other proposing such a meeting.

(ii) Second, if the Claim is not resolved from the face-to-face meeting, it shall be submitted to non-binding mediation. Franchisee and Franchisor will split the costs, and each will bear their own expenses of any mediation. Any mediation/arbitration will be conducted by a mediator/arbitrator experienced in franchising. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding. If both Franchisee and Franchisor do not want to participate in mediation, then they shall proceed to arbitration as provided below.

(iii) Third, the Claim shall be submitted to and finally resolved by binding arbitration before a single arbitrator in the county where Franchisor's then-current headquarters is located, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association or its successor. On election by any party, arbitration and/or any other remedy allowed by this Agreement may proceed forward at the same time as mediation. Judgment on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration. Notwithstanding any allocation made by the arbitral body or the arbitrators, Franchisor and Franchisee agree that, subject to the final award, each party will contribute equally to all charges or assessments of an arbitrator's compensation, administrative expenses or fees of the arbitral body and deposits with respect thereto. In the event a party defaults in timely payment, the other party shall have the option of paying the full amount of such charge, assessment or fee and proceeding with the arbitration or of voiding this arbitration agreement and proceeding in a court of law in the seat of the arbitration with the defaulting party hereby submitting to the jurisdiction of said courts and the service of process by courier or ordinary mail at the address where notices are to be sent under this Agreement.

B. **Confidentiality**. The parties to any meeting/mediation/arbitration will sign confidentiality agreements. However, the parties will be permitted to make public disclosures and filings as are required by law and will be permitted to speak to individuals reasonably necessary to prepare for mediation or arbitration, including but not limited to percipient witnesses and expert witnesses.

C. **Fees and Costs**. In the event of any arbitration or litigation (also including appeals, petitions for confirmation, modification, or vacation of an award) arising out of or relating to a Claim, this Agreement, the breach of this Agreement, or the relationship of the parties to this Agreement, the prevailing party will be reimbursed by the other party for all costs and expenses incurred in connection with such arbitration or litigation, including, without limitation, reasonable attorneys' fees.

D. **Disputes Not Subject to the Mediation/Arbitration Process**. Claims or disputes seeking (a) injunctive relief as to the validity of the Marks and/or any intellectual property licensed to Franchisee and use of the Marks or other intellectual property licensed to the Franchisee, (b) injunctive relief for health and safety issues and violations, or (c) injunctive relief as to the validity and enforcement of the covenants not to compete, may be submitted to Court, provided that only the portion of any such claim or dispute requesting injunctive relief shall be subject to Court action, and any portion of such claim or dispute seeking monetary damages or other relief will be subject to the Claim Process outlined above in paragraph 16.1.A.

E. **Intentions of Franchisee and Franchisor**. Franchisee and Franchisor mutually agree (and have expressly had a meeting of the minds) that, notwithstanding any contrary provisions of state, federal or other law, and/or any statements in Franchisor's Franchise Disclosure Document required by a state or the Federal government as a condition to registration or for some other purpose:

(i) all issues relating to the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

(ii) all provisions of this Agreement shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, and choice of laws;

(iii) Franchisee and Franchisor intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms;

(iv) **Franchisee and Franchisor each knowingly waive all rights to a court or jury trial** (except as expressly provided in this Agreement), understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, but still strongly preferring mediation and/or arbitration as provided in this Agreement;

(v) in the Claim Process, Franchisee and Franchisor agree that each may bring claims against the other only in the Franchisee's or Franchisor's individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both Franchisee and Franchisor agree, no arbitrator may consolidate more than one person's claims or otherwise preside over any form of representative, class, multiple plaintiff or consolidated proceeding; and

(vi) the terms of this Agreement (including but not limited to this Section 16) shall control with respect to any matters of choice of law. Nothing in this or any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document it furnished to Franchisee.

16.2 **Venue.** Without in any way limiting or otherwise affecting the obligations of Franchisee and Franchisor under Section 16.1 above, Franchisee and Franchisor agree that any litigation will be brought in a court of competent jurisdiction in the county where Franchisor's then-current headquarters is located.

16.3 **Class Action Waiver.** To the extent any party brings any claim for relief, cause of action, or proceeding in court, Franchisee and Franchisor also agree that each may only bring such claims for relief, causes of action, or proceedings against the other in the Franchisee's or Franchisor's individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both Franchisee and Franchisor agree, no court may consolidate more than one person's claims for relief, causes of action, or proceeding, or otherwise preside over any form of representative, class, multiple plaintiff, or consolidated proceeding.

16.4 **Severability of Provisions.** Each provision of this Agreement, and any portion of any provision, is severable (including, but not limited to, any provision related to dispute resolution).

16.5 **Choice of Laws.** Franchisee and Franchisor agree on the practical business importance of certainty as to the law applicable to their relationship and its possible effect on the development and competitive position of the System. Therefore, Franchisee and Franchisor also agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the Lanham Act (15 U.S.C. §1051 et seq.) and other federal laws and as otherwise expressly provided in this Agreement, this Agreement and all other matters, including, but not limited to respective rights and obligations, concerning Franchisee and Franchisor, will be governed by, and construed and enforced in accordance with, the laws of California; except (i) that the statutes or regulations regarding franchises (including, without limitation, investment, registration, disclosure, termination, and/or relationship laws) of the state where the Franchisee's Store is located shall apply to this Agreement and the parties' relationship instead of California's statutes or regulations regarding franchises; and (ii) the law of California will not govern the covenants not to compete in Article 13 of this Agreement. Instead, the covenants not to compete in Article 13 will be governed by the law of the state where the Franchisee's store is located. Franchisee and Franchisor agree that this provision shall be enforced without regard to the laws of California relating to conflicts of laws or choice of law.

16.6 **Binding Effect, Modification.** This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified or supplemented except by means of a written agreement signed by both Franchisee and Franchisor's President or one of Franchisor's Vice Presidents. However, Franchisee and Franchisor understand and agree that changes to the Manual made in accordance with this Agreement are binding and do not require any acceptance by Franchisee, written or otherwise, to be effective and enforceable. No other officer, field representative, salesperson or other person has the right or authority modify this Agreement, or to make any representations or agreements on Franchisor's behalf, and any such modifications, representations and/or agreements will not be binding.

16.7 **Franchisor's Exercise of "Business Judgment" and/or Meaning of "Reasonable Discretion"; Express Agreement.**

A. When Franchisor uses the phrases "sole and absolute discretion," "reasonable discretion" and/or "business judgment," whether in this Agreement or elsewhere, and whenever Franchisor exercises a right, prescribes or forbids an act or thing, or otherwise makes a choice or uses discretion, Franchisee and Franchisor agree that Franchisor has the wholly unrestricted right to make decisions and/or take (or refrain from taking) actions as Franchisor deems appropriate, except that Franchisor will not act arbitrarily. Franchisor shall use its' judgment in exercising such discretion based on Franchisor's assessment of the interests Franchisor considers appropriate and will not be required to consider or defer to Franchisee's individual interests or the interests of any other franchisee(s). The ultimate decision-making responsibility with respect to the System must be vested in Franchisor, since Franchisee, Franchisor and all other franchisees have a collective interest in working within a franchise system with the unrestricted flexibility to quickly adjust to changing business conditions, including but not limited to the competitive environment, new regulatory developments and emerging business opportunities. Franchisor has this right even if a particular decision/action may have negative consequences for Franchisee, a particular franchisee or group of franchisees. So long as Franchisor acts in compliance with the requirements of this Agreement, Franchisor will have no liability for the exercise of Franchisor's discretion in accordance with the provisions of this Agreement.

B. Franchisee and Franchisor execute this Agreement in the belief that it is the basis for a long-term business relationship and should be enforced according to its express provisions. Neither Franchisee nor Franchisor has any expectation, nor is it Franchisee's or Franchisor's intention or desire, that the rights and obligations set out herein will be defined or determined to be other than as expressly written, or that additional or different obligations be imposed on Franchisee or Franchisor by any court, arbitrator or otherwise which Franchisee or Franchisor has not expressly agreed to in writing. It would be contrary to Franchisee's and Franchisor's mutual intentions and expectations that any court, arbitrator or otherwise use any doctrine and/or rule of interpretation to impose additional or different obligations on Franchisee or Franchisor.

16.8 **Non-Retention of Funds.** Neither party has the right to offset or withhold payments of any kind owed or to be owed to the other against amounts purportedly due as a result of any dispute of any nature or otherwise, except as authorized by an arbitration award, or as expressly provided otherwise in this Agreement.

16.9 **Waivers; Cumulative Rights.** Franchisor's waiver of any breach(es) under this or any other agreement (whether by failure to exercise a power or right available to Franchisor, failure to insist on strict compliance with the terms, obligations or conditions of any agreement, development of a custom or practice between Franchisee and Franchisor (or others) which is at variance with the terms of any agreement, acceptance of partial or other payments or otherwise), whether with respect to Franchisee or others, will not affect Franchisor's rights with regard to any breach by Franchisee or anyone else or constitute a waiver of Franchisor's right to demand exact compliance by Franchisee with the terms of this Agreement or otherwise. Subsequent or other acceptance by Franchisor of any payments or performance by Franchisee will not be deemed a waiver of any preceding or other breach by Franchisee of this Agreement or otherwise. The rights and remedies provided in this Agreement are cumulative and Franchisor will not be prohibited from exercising any rights or remedies provided under this Agreement or permitted under law or equity.

16.10 **Application of Agreement to Parties and Others; Joint and Several Liability.**

A. The rights and obligations of this Agreement run directly between Franchisee and Franchisor and are not intended to create any third-party beneficiary or similar rights or obligations unless specifically expressed in this Agreement; except that the protections which apply to Franchisor relating to indemnification and/or releases will also apply to any past, current and/or future Franchisor's Affiliates, as if they were expressly named beneficiaries thereof.

B. Franchisor has the right to elect in Franchisor's Business Judgment to not enforce (or to selectively enforce) any provision of this or any Agreement, standard or policy, whether with respect to Franchisee and/or any other franchisee or other person, in a lawful manner without liability.

C. If two (2) or more persons are at any time the Franchisee or the Franchisee owners, all of their obligations and liabilities under this or any other agreement with Franchisor will be joint and several.

16.11 **Further Assurances.** The parties to this Agreement agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purposes of this Agreement.

16.12 **Time is of the Essence.** Franchisee and Franchisor agree that time is of the essence with respect to all terms and conditions in this Agreement.

16.13 **No Recourse Against Nonparty Affiliates.** All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to this Agreement, but not including separate undertakings such as guarantees of performance, personal guaranties, or corporate guarantees), may be made only against (and are those solely of) the entities that are expressly identified as parties in the preamble to this Agreement ("Contracting Parties"). No person who is not a Contracting Party, including without limitation any director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of, and any financial advisor or lender to, any of the foregoing ("Nonparty Affiliates"), shall have any liability (whether in contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach; and, to the maximum extent permitted by law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such Nonparty Affiliates, unless such liabilities, claims, causes of action, and obligations arise from deliberately fraudulent acts. Without limiting the foregoing, to the maximum extent permitted by law, (a) each Contracting Party hereby waives and releases any and all rights, claims, demands or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose liability of a Contracting Party on any Nonparty Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Nonparty Affiliates with to the performance of this Agreement or any representation or warranty made in, in connection with, or as an inducement to this Agreement. Nothing herein is intended to prevent a Contracting Party from pursuing any distinct legal rights it may have against a Nonparty Affiliate which arise from a separate document, such as a guaranty of performance, personal guaranty, corporate guaranty or similar agreement. Notwithstanding any other provision of this Agreement which limits the right of prospective third-party beneficiaries, any Nonparty Affiliate may rely on this provision and enforce it against any Contracting Party or other person or entity.

17. MISCELLANEOUS PROVISIONS

17.1 **Parties Affected**. This Agreement binds the parties and, subject to Articles 14 and 16, their successors and assigns. No person may acquire from Franchisee any interest in this Agreement except in accordance with Article 14. If Franchisee consists of more than one (1) person or entity, or a combination thereof, the obligations and liabilities to Franchisor of each such person or entity are joint and several. Each shareholder or equity owner with a ten percent (10%) or more interest in Franchisee must sign the guaranty of this Agreement designated by Franchisor (Exhibit FA-5).

17.2 **Business Entity Franchisees; Operating Partners; Franchise Owners.**

A. If Franchisee is a Business Entity, Franchisee represents and warrants to Franchisor that the list below states: (i) the name, mailing address and equity interest of each person holding any shares or other form of ownership, or security interest convertible into an equity interest, in Franchisee, showing percentage of ownership held by each and (ii) the name and mailing address of the individual who will be the principal franchisee-operator (the "Operating Partner") of the business franchised hereunder. All of Franchisee's owners must be individuals and cannot be other business entities, unless otherwise expressly authorized by Franchisor in an addendum to this Agreement signed by all parties. Franchisee represents and warrants that it has been formed for, and will remain exclusively dedicated to, the operation of the Franchise business.

B. The Operating Partner named below has the authority to act for Franchisee in all matters relating to the Restaurant, including voting responsibilities. Unless otherwise authorized in writing by Franchisor, only individuals with an ownership interest in Franchisee of ten percent (10%) or more and who reside within 60 miles of the Restaurant may be listed as the Operating Partner. Either Franchisee or the Operating Partner must participate full-time in the operation of the Franchised Business. "Full-time" shall mean a minimum of 60 hours per week over a minimum of 5 days per week. The Operating Partner shall be deemed to be the "Franchisee" for purposes of meeting all training and similar qualifications pursuant to this Agreement.

C. Franchisee is a ☐ ____________________, organized under the laws of ___________________________, or ☐ Franchisee is an individual or group of individuals, and hereby represents and warrants that the information stated below is true and accurate as of the date set forth below:

Shareholder, Partner, Member or Individual Name and Address	Percentage of Ownership Interest in Franchisee
____	
____	___________
____	
____	
____	___________
____	

Operating Partner: ___________________________________

Any change in the Operating Partner, or in the listed Owners/Ownership Interest, identified above is subject to Article 14, including but not limited to applicable training requirements.

17.3 **Gender.** All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context or sense of this Agreement or any section may require.

17.4 **Notices**.

A. All notices which the parties hereto may be required or permitted to give under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, postage paid, or by reliable overnight delivery service, addressed as follows:

If to Franchisor: Shawarma Stackz LLC
9119 Clairemont Mesa Blvd, Suite G
San Diego, CA 92123
Attn: Osama Shabaik
Ph: (858) 208-8407

Courtesy Copy to:
Tim Pickwell, Esq.
Pickwell Law Group
Hacienda Del Mar
12625 High Bluff Drive, Suite 108 B
San Diego, CA 92130
Ph: (858) 793-1094 / Fax: (858) 793-1096

If to Franchisee: ______________________________
____
____
Telephone:____________________
Facsimile: _____________________

Billing Address (if different)
____
____
____
Telephone:____________________
Facsimile: _____________________

Courtesy Copy to:
____
____
____
Telephone:____________________
Facsimile: _____________________

B. The addressees herein given for notices may be changed at any time by either party by written notice given to the other party as herein provided. Notices delivered by certified or registered mail shall be deemed to have been given three (3) business days after postmark by United States Postal Service, or the next business day after deposit with reliable overnight delivery service or when delivered by hand.

17.5 **Force Majeure.** Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable or responsible for any delays due to Force Majeure or other causes beyond the reasonable control of the parties that materially affects a party's ability to perform. In this Agreement, the term "Force Majeure" shall include any of the following: (i) casualty or condemnation; (ii) storm, earthquake, hurricane, tornado, flood or other act of God; (iii) war, insurrection, pandemics, epidemics, quarantine restrictions, civil commotion or act of terrorism; (iv) strikes or lockouts; (v) embargoes, lack of water, materials, power or telephone transmissions specified or reasonably necessary in connection with the production, storage, shipment, or sale of goods and services; or (vi) failure of any applicable governmental authority to issue any approvals, or the suspension, termination or revocation of any material approvals, required for the production, storage, shipment, or sale of goods or services. Any time period for the performance of an obligation shall be extended for the amount of time of the delay. The party whose performance is affected by any of such causes shall give prompt written notice of the circumstances of such event to the other party, but in no event more than five (5) days after the commencement of such event. The notice shall describe the nature of the event and an estimate as to its duration. This clause shall not apply or not result in an extension of the term of this Agreement.

18. ACKNOWLEDGMENTS

18.1 A. THE SUBMISSION OF THE AGREEMENT DOES NOT CONSTITUTE AN OFFER AND THIS AGREEMENT SHALL BECOME EFFECTIVE ONLY UPON THE EXECUTION HEREOF BY THE FRANCHISOR AND THE FRANCHISEE. THE DATE OF EXECUTION BY THE FRANCHISOR SHALL BE CONSIDERED TO BE THE DATE OF EXECUTION OF THIS AGREEMENT.

B. THIS AGREEMENT SHALL NOT BE BINDING ON THE FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF THE FRANCHISOR.

18.2 A. FRANCHISEE ACKNOWLEDGES THAT:

1) THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED TO BE UNDERTAKEN BY FRANCHISEE UNDER THIS AGREEMENT, AND THE PURCHASE OF A SHAWARMA STACKZ FRANCHISE, IS A SPECULATIVE INVESTMENT;

2) THE BUSINESS WILL BE OPERATED IN A HIGHLY COMPETITIVE AND VOLATILE ENVIRONMENT;

3) AN INVESTMENT BEYOND THAT OUTLINED IN THE DISCLOSURE DOCUMENT MAY BE REQUIRED TO SUCCEED;

4) THERE EXISTS NO GUARANTY AGAINST POSSIBLE LOSS OR FAILURE IN THIS (OR ANY OTHER) BUSINESS;

5) SOME SHAWARMA STACKZ RESTAURANTS MAY NOT BE SUCCESSFUL, AND THERE'S NO ASSURANCE THAT THE FRANCHISEE'S RESTAURANT WILL NOT BE ONE OF THOSE; AND

6) THE FINANCIAL RESULTS OF THE FRANCHISEE'S RESTAURANT, INCLUDING ITS ULTIMATE SUCCESS OR FAILURE, WILL DEPEND UPON FRANCHISEE'S MANAGERIAL AND FINANCIAL CAPABILITIES, LOCAL MARKET CONDITIONS AND OTHER FACTORS.

B. FRANCHISEE ACKNOWLEDGES, THEREFORE, THAT (1) FRANCHISOR CANNOT AND DOES NOT GUARANTEE OR REPRESENT THAT THE FRANCHISEE'S RESTAURANT WILL BE PROFITABLE OR SUCCESSFUL AND (2) THE MOST IMPORTANT FACTORS IN THE SUCCESS OF ANY SHAWARMA STACKZ FRANCHISE, INCLUDING THE ONE TO BE OPERATED BY THE FRANCHISEE, ARE THE FRANCHISEE'S PERSONAL BUSINESS, MARKETING, SALES, MANAGEMENT, JUDGMENT AND OTHER SKILLS, AND THE EXTENT TO WHICH THE FRANCHISEE FAITHFULLY FOLLOWS THE SHAWARMA STACKZ SYSTEM AND MANUALS.

18.3 FRANCHISEE ACKNOWLEDGES THAT IT HAS ENTERED INTO THIS AGREEMENT AFTER MAKING AN INDEPENDENT INVESTIGATION OF FRANCHISOR'S OPERATIONS AND THE MARKET AREA IN WHICH FRANCHISEE WILL OPERATE THE RESTAURANT. THE FRANCHISEE UNDERSTANDS AND AGREES THAT THE FRANCHISOR DOES NOT FURNISH OR ENDORSE, OR AUTHORIZE ITS SALESPERSONS OR OTHERS TO FURNISH OR ENDORSE, ANY ORAL, WRITTEN OR OTHER INFORMATION CONCERNING ACTUAL OR POTENTIAL SALES, COSTS, INCOME, EXPENSES, PROFITS, CASH FLOW, OR OTHER FINANCIAL INFORMATION, OR FROM WHICH SUCH ITEMS MIGHT BE ASCERTAINED, ("FINANCIAL RESULTS") FROM FRANCHISED OR NON-FRANCHISED UNITS.

18.4 A. FRANCHISEE REPRESENTS AND ACKNOWLEDGES THAT IT HAS RECEIVED FRANCHISOR'S DISCLOSURE DOCUMENT, INCLUDING ALL EXHIBITS THERETO, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE EARLIER OF THE DATE ON WHICH THIS AGREEMENT, AND ALL OTHER AGREEMENTS, WAS EXECUTED, OR ANY CONSIDERATION WAS PAID. FRANCHISEE REPRESENTS IT HAS READ ALL AGREEMENTS, FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT, EXHIBITS, ADDENDA AND OTHER DOCUMENTS, ALONG WITH ANY ADDITIONAL INFORMATION FRANCHISEE DEEMS RELEVANT, IN ITS ENTIRETY.

B. FRANCHISEE FURTHER REPRESENTS THAT IT UNDERSTANDS AND ACCEPTS THE TERMS, CONDITIONS, COVENANTS AND OBLIGATIONS OF THIS AGREEMENT AND ALL EXHIBITS AS BEING REASONABLY NECESSARY TO (1) MAINTAIN THE FRANCHISOR'S HIGH STANDARDS OF QUALITY AND SERVICE; (2) MAINTAIN UNIFORMITY OF THOSE STANDARDS AT ALL SHAWARMA STACKZ RESTAURANTS; AND (3) PROTECT AND PRESERVE THE GOODWILL OF THE MARKS, AND THAT FAILURE TO MAINTAIN THE FRANCHISOR'S STANDARDS WILL RESULT IN TERMINATION OF THIS AGREEMENT.

18.5 FRANCHISEE ACKNOWLEDGES THAT THE COVENANTS NOT TO COMPETE SET FORTH IN THIS AGREEMENT ARE FAIR AND REASONABLE, AND REPRESENTS TO THE FRANCHISOR THAT SUCH COVENANTS WILL NOT IMPOSE ANY UNDUE HARDSHIP ON THE FRANCHISEE OR HIS/HER FAMILY, SINCE THE FRANCHISEE HAS OTHER CONSIDERABLE SKILLS, EXPERIENCE AND EDUCATION WHICH AFFORD THE FRANCHISEE THE OPPORTUNITY TO DERIVE INCOME FROM OTHER ENDEAVORS.

18.6 FRANCHISEE REPRESENTS TO THE FRANCHISOR THAT ALL INFORMATION SET FORTH IN ANY AND ALL APPLICATIONS, FINANCIAL STATEMENTS, SUBMISSIONS AND/OR OTHERWISE PROVIDED TO THE FRANCHISOR BY THE FRANCHISEE ARE TRUE, COMPLETE AND ACCURATE IN ALL RESPECTS, AND FRANCHISEE UNDERSTANDS THAT THE FRANCHISOR IS RELYING UPON TRUTHFULNESS, COMPLETENESS AND ACCURACY OF SUCH INFORMATION.

18.7 FRANCHISEE ACKNOWLEDGES THAT THE EXECUTION OF THIS AGREEMENT IS THE WHOLLY VOLUNTARY ACT OF THE PERSONS WHO SIGNED THIS AGREEMENT.

18.8 FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE'S PERFORMANCE OF ANY OBLIGATION HEREUNDER IS NOT CONTINGENT UPON ANY OTHER MATTER OR THING, NOR IS THE FRANCHISEE RELYING ON THE FRANCHISOR OR ANY OTHER ENTITY TO PROVIDE OR ARRANGE FINANCING OF ANY TYPE, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, OR A WRITTEN ADDENDUM HERETO SIGNED BY THE FRANCHISEE AND THE FRANCHISOR.

18.9 FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS HAD AN OPPORTUNITY TO CONSULT WITH INDEPENDENT PROFESSIONAL ADVISORS, SUCH AS AN ATTORNEY OR ACCOUNTANT, PRIOR TO SIGNING ANY BINDING DOCUMENTS OR PAYING ANY SUMS, AND THE FRANCHISOR HAS RECOMMENDED THAT FRANCHISEE OBTAIN SUCH INDEPENDENT PROFESSIONAL ADVICE.

18.10 FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS BEEN ADVISED BY FRANCHISOR TO SPEAK WITH PAST AND/OR EXISTING SHAWARMA STACKZ FRANCHISEES OF FRANCHISEE'S CHOOSING AND THAT SHAWARMA STACKZ FRANCHISEES ARE DISTINCT FROM FRANCHISOR AND ARE INDEPENDENTLY OWNED AND OPERATED. FRANCHISEE ACKNOWLEDGES THAT SUCH SHAWARMA STACKZ FRANCHISEES DO NOT ACT AS FRANCHISOR'S AGENTS OR REPRESENTATIVES IN PROVIDING ANY INFORMATION AND THAT NO SUCH INFORMATION CAN BE ATTRIBUTED TO FRANCHISOR AND/ OR RELIED UPON AS SUCH.

18.11 FRANCHISEE ACKNOWLEDGES AND AGREES THAT THE OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS OF THE FRANCHISOR ACT ONLY IN A REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY, AND THAT NO OTHER PERSONS AND/OR ENTITIES OTHER THAN THE FRANCHISOR HAS OR WILL HAVE ANY DUTIES OR OBLIGATIONS TO FRANCHISEE.

18.12 Franchisee acknowledges and agrees that Franchisor may elect to keep only electronic copies of any and all documents and records pertaining to the franchised business, the System, and the franchise relationship between the parties. Each such electronic record will accurately reflect the information in the document and will remain accessible to all persons entitled by law to access the information for the period of time required by law. The electronic record will be in a form capable of being accurately reproduced for later reference if necessary.

19. ENTIRE AGREEMENT; NO OTHER INFORMATION RELIED ON

19.1 Franchisor and Franchisee agree that this Agreement (along with any concurrently signed writings, such as but not limited to personal guarantees, Statement of Prospective Franchisee, addenda, exhibits, releases and any other related documents (collectively, the "Related Documents")) contains the final, complete and exclusive expression of the terms of their agreement and supersedes all other agreements and/or representations of any kind or nature; provided, that nothing herein is intended to disclaim or require Franchisee to waive reliance on any representation made in the Disclosure Document. <u>Any understandings, agreements, representations, or otherwise (whether oral or written) which are not fully expressed in this Agreement and the Related Documents are expressly disclaimed by Franchisor and Franchisee, including but not limited to any promises, options, rights of first refusal, guarantees, and/or warranties of any nature</u> (excepting only the written representations made by Franchisee in connection with its application for this franchise). Neither Franchisor nor Franchisee believe it to be fair or reasonable for the other party to have to deal with allegations about understandings, representations, etc. not fully expressed in writing in this Agreement.

Franchisee's Initials: ___________/__________

19.2 Franchisee acknowledges that Franchisee has not relied on (nor has Franchisor or anyone else provided, except as may have been contained in the Franchise Disclosure Document received by Franchisee):

1) any sales, income or other projections of any kind or nature;

2) any statements, representations, charts, calculations or other materials which stated or suggested any level or range of sales, income, profits or cash flow; or

3) any representations as to any profits Franchisee might realize in the operations of the Franchised Business or any working capital or other funds necessary to reach any 'break-even' or any other financial level.

If any such information, promises, representations and/or warranties have been provided to Franchisee, they are unauthorized and inherently unreliable. Franchisee agrees to advise Franchisor of the delivery of any such information and must not rely upon any such information, nor shall Franchisor be bound by it. Franchisor does not, nor does it attempt to, predict, forecast or project future performance, revenues or profits of any Shawarma Stackz Restaurant. Franchisor is unable to reliably predict the performance of a Shawarma Stackz Restaurant operated by Franchisor or an affiliate, and certainly cannot predict results for Franchisee's Restaurant.

19.3 Franchisee understands, acknowledges and agrees that i) Franchisor may have offered franchises in the past and/or may offer franchises in the future, on economic and/or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents and ii) Franchisor may, from time to time, deal with its Franchisees on differing economic and/or other terms (including making special arrangements for payments of amounts due, waiving defaults and/or otherwise) to suit individual business circumstances, in each case in Franchisor's sole and absolute discretion and without being required to offer similar terms to other Franchisees, such flexibility being a practical necessity to respond to distinct business situations.

Franchisee's Initials: ___________/___________

19.4 Franchisee understands that Franchisor is relying on Franchisee to bring forward in writing at this time any matters inconsistent the representations contained in Articles 18 and 19 and in the "Statement of Prospective Franchisee" attached to the Franchise Disclosure Document as Exhibit D. Franchisee agrees that if any of the statements or matters set forth in Articles 18 and 19 and/or the Statement of Prospective Franchisee are not true, correct and complete that Franchisee will make a written statement regarding such next to Franchisee's signature below so that Franchisor may address and resolve any such issue(s) at this time.

Franchisee's Initials: ___________/___________

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below to be effective upon execution by Franchisor.

FRANCHISOR

SHAWARMA STACKZ LLC
a California limited liability company

By: ________________________________

Print Name: _________________________

Title: ______________________________

Date: ______________________________
(“Effective Date”)

FRANCHISEE

If Franchisee is an individual:

By: ___________________________________

Print Name: ____________________________

Date: _________________________________

By: ___________________________________

Print Name: ____________________________

Date: _________________________________

If Franchisee is an entity:

____
[Name of Franchisee]

By: _________________________________

Print Name: __________________________

Title: ________________________________

Date: ________________________________

EXHIBIT FA-1(A)
ADDENDUM TO SHAWARMA STACKZ FRANCHISE AGREEMENT

THE AUTHORIZED LOCATION AND PROTECTED AREA

This Addendum is made to the Shawarma Stackz Franchise Agreement dated ______________________ (the "Franchise Agreement") between Shawarma Stackz LLC, a California limited liability company, ("Franchisor") and ____ ("Franchisee").

1. **Preservation of Agreement.** Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.

2. **Authorized Location.** The parties hereto agree that the Authorized Location referred to in Paragraph 1.2 of the Franchise Agreement shall be the following address: ________________________
____
____

3. **Protected Area.** The parties hereto agree that the Protected Area referred to in Paragraph 1.3 of the Franchise Agreement shall be: ____
____
____

A map of the Protected Area is attached hereto, as Exhibit FA-1(B)

If the Protected Area is identified by counties or other political subdivisions, political boundaries shall be considered fixed as of the Effective Date and shall not change, notwithstanding a political reorganization or change to such boundaries or regions. If the Protected Area is identified specifically by zip codes ("Main Zip Codes"), the Protected Area shall include all geographic areas covered by such Main Zip Codes as of the Effective Date, as well as all geographic areas covered as of the Effective Date by zip codes located within the Main Zip Codes. If the geographic area covered by the Main Zip Code changes (by expanding or contracting) during the Term of the Franchise Agreement, Franchisee shall be required to obtain Franchisor's approval (which Franchisor is not obligated to grant), in accordance with Franchisor's policies and procedures then in effect, before Franchisee may accept and fulfill orders for delivery to customers and/or recipients located (a) in the portion of the geographic area comprising the reconstituted Main Zip Code that was not within the Protected Area as of the Effective Date, or (b) in the portion of the geographic area that was within the Protected Area as of the Effective Date but no longer is within the Protected Area after the Effective Date as a result of the reconstituted Main Zip Code.

[Signatures on Following Page]

This Addendum is agreed to and accepted by the parties on the dates set forth below and becomes effective upon execution by Franchisor.

FRANCHISOR

SHAWARMA STACKZ LLC
a California limited liability company

By: ___________________________

Print Name: ______________________

Title: ___________________________

Date: ___________________________

FRANCHISEE

If Franchisee is an individual:

By: ______________________________________

Print Name: ______________________________

Date: ____________________________________

By:______________________________________

Print Name: ______________________________

Date: ____________________________________

If Franchisee is a corporation or other entity:

____
[Name of Franchisee]

By: ______________________________________

Print Name: ______________________________

Title: _____________________________________

Date:_____________________________________

EXHIBIT FA-1(B)
ADDENDUM TO SHAWARMA STACKZ FRANCHISE AGREEMENT

MAP OF THE PROTECTED AREA

EXHIBIT FA-2
ADDENDUM TO SHAWARMA STACKZ FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AGREEMENT

This Agreement is made on this __ day of _____________ 20__, by and between Shawarma Stackz LLC, a California limited liability company, ("Franchisor") and ____ ("Franchisee").

Whereas, Franchisor and Franchisee are parties to a Shawarma Stackz Franchise Agreement executed on even date herewith (the "Franchise Agreement") and desire to enter into this Addendum to the Franchise Agreement;

Now, therefore in consideration of the mutual promises contained herein and as an inducement to Franchisor to execute the Franchise Agreement, the parties agree as follows:

A. Franchisee shall pay any and all fees and other charges in connection with this Addendum and the Franchise Agreement (including, without limitation, the Continuing Royalty Fees, the Marketing Fund Contributions and any applicable late fees and interest charges) by electronic, computer, wire, automated transfer, ACH debiting, and bank clearing services (collectively "electronic funds transfers" or "EFT"'), and Franchisee shall undertake all action necessary to accomplish such transfers.

B. Upon execution and delivery of this Agreement, Franchisee shall execute and deliver two (2) originals of the "Electronic Debit Authorization" attached as Exhibit FA-3 to the Franchise Agreement, which authorizes Franchisee's bank or other financial institution to accept debit originations, electronic debit entries, or other EFT, and electronically deposit fees and contributions owing Franchisor directly to Franchisor's bank account(s). Upon Franchisor's request, Franchisee shall deliver to Franchisor all additional information that Franchisor deems necessary (including, without limitation, financial institution of origin and relevant accounts and ABA/transit numbers for any new bank accounts that Franchisee opens after the date of this Addendum) in connection with such EFT.

C. By executing this Addendum, Franchisee authorizes Franchisor to withdraw funds at such days and times as Franchisor shall determine via EFT from Franchisee's bank account for all fees and other charges in connection with the Franchise Agreement and this Addendum, as described in the first sentence of this Section. Franchisee authorizes, biweekly, on Wednesday, ACH debits via EFT based on an amount equal to: (i) 6% of Franchisee's Gross Sales for the immediately preceding two (2) calendar-week period ending Sunday (the "Accounting Period") for Continuing Royalty Fees; and (ii) 2% of Franchisee's Gross Sales, which may be increased at Franchisor's discretion to a maximum of 4% of Franchisee's Gross Sales, for the Accounting Period for the Marketing Fund Contributions.

D. If Franchisor does not receive by 5:00 PM (Pacific Time) on Tuesday following the end of each two (2) calendar-week period a report that includes Gross Sales figures for the prior Accounting Period, then Franchisor is authorized to have withdrawn by electronic transfer an amount from Franchisee's bank account for the Continuing Royalty Fee and the Marketing Fund Contributions with respect to the prior Accounting Period equal to the amount withdrawn the previous week (or the most recent withdrawal week) plus ten percent (10%) as an estimate of the Accounting Period's Continuing Royalty Fees and the Marketing Fund Contributions.

E. If a Gross Sales report in the form required by Franchisor is subsequently received and reflects (1) that the actual amount of the Continuing Royalty Fee and/or the Marketing Fund Contribution paid to Franchisor was more than the amount of the EFT due to Franchisor, then Franchisor shall credit the excess amount to the payment of Franchisee's future Continuing Royalty Fees or other amounts owing to Franchisor or (2) that the actual amount of the Continuing Royalty Fee and/or the Marketing Fund Contribution paid to Franchisor was less than the amount of the EFT due to Franchisor, then Franchisor shall be entitled to immediately receive additional funds via EFT from Franchisee's bank account for the difference.

F. Franchisee is responsible for paying all service charges and other fees imposed or otherwise resulting from action by Franchisee's bank in connection with EFT by Franchisor, including, without limitation, any and all service charges and other fees arising in connection with any EFT by Franchisor not being honored or processed by Franchisee's bank for any reason and a Fifty Dollar ($50) charge by Franchisor for processing the EFT. Upon written notice by Franchisor to Franchisee, Franchisee may be required to pay any amount(s) due under the Franchise Agreement and/or this Addendum directly to Franchisor by check or other non-electronic means in lieu of EFT at Franchisor's discretion. It shall be a non-curable event of default under Article 15 of the Franchise Agreement if Franchisee closes any bank account without completing all of the following forthwith after such closing: (1) immediately notifying Franchisor thereof in writing, (2) immediately establishing another bank account, and (3) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by EFT as this Addendum permits.

G. Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.

H. Wherefore, the parties have set forth their hand and seal on the day and date first above written.

FRANCHISOR

SHAWARMA STACKZ LLC

By: ______________________________

Print Name: _______________________

Title: ___________________________

Date: ___________________________

FRANCHISEE

If Franchisee is an individual:

By: ________________________________

Print Name: _________________________

Date: ______________________________

By: ________________________________

Print Name: _________________________

Date: ______________________________

[Signature continued on following page.]

If Franchisee is a corporation or other entity:

____
[Name of Franchisee]

By: _________________________

Print Name: ___________________

Title: ________________________

Date: ________________________

EXHIBIT FA-3
ADDENDUM TO SHAWARMA STACKZ FRANCHISE AGREEMENT

ELECTRONIC DEBIT AUTHORIZATION

FRANCHISOR: SHAWARMA STACKZ LLC

The undersigned hereby authorizes Shawarma Stackz LLC ("Franchisor"), to initiate debit entries to the undersigned's checking account indicated below and the depository named below (the "Depository"), to debit the same to such account.

Depository Name: ____
Branch: ____
City, State and Zip Code: ____
____
Transit/ABA #: ____
Bank Account Name: ____
Bank Account #: ____
Tax ID # Used for Bank Account: ____

This authority is to remain in full force and effect until the underlying obligations under the Franchise Agreement have been satisfied in full or released in writing by Franchisor.

This authorization further confirms my understanding of Exhibit FA-2 to the Franchise Agreement signed by me/us in which I/we expressly agree that this authorization shall apply to any and all Depositories and bank accounts with which I/we open accounts during the term of the Franchisee Agreement and any renewals. Without limiting the generality of the forgoing, I/we understand that if I/we close any bank account, I/we are obligated immediately to: (i) notify Franchisor thereof in writing, (ii) establish another bank account, and (iii) execute and deliver to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means. I/we specifically agree and declare that this Authorization shall be the only written authorization needed from me/us in order to initiate debit entries/ACH debit originations to my/our bank account(s) established with any Depository in the future.

Name of Franchisee: ___________________________________ Restaurant #: _________

Signature: ___________________________ Signature: __________________________

Print Name: _________________________ Print Name: _________________________

Title: _______________________________ Title: ______________________________

Date: _______________________________ Date: ______________________________

NOTICE TO FRANCHISEE

1. ATTACH ONE VOIDED CHECK HERE.
2. BE SURE ALL BLANK SPACES ABOVE ARE COMPLETED.
3. RETURN 2 ORIGINAL COPIES OF BOTH AGREEMENTS IMMEDIATELY.

Please Note: There is an Indemnification Agreement to follow.

INDEMNIFICATION AGREEMENT

To The Depository Designated:

In consideration of your compliance with the request and authorization printed on the Authorization Form hereof, the Payor/Franchisee agrees with respect to any such action:

(1) To indemnify you and hold you harmless from any loss you may suffer as a consequence of your actions resulting from or in connection with the execution and issuance of any check, draft or order, whether or not genuine, purporting to be executed by the Payor/Franchisee and received by you in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify you for any loss arising in the event that any such check, draft or order shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

To defend at our own cost and expense any action which might be brought by any depositor or any other person because of your action taken to the foregoing request, or in any manner arising by reason of your participation.

Name of Payor/Franchisee: ____

Signature: ___________________________	Signature: __________________________
Print Name: _________________________	Print Name: _________________________
Title: _______________________________	Title: ______________________________
Date: _______________________________	Date: ______________________________

EXHIBIT FA-4
ADDENDUM TO SHAWARMA STACKZ FRANCHISE AGREEMENT

TELEPHONE NUMBERS AND DIRECTORY LISTINGS AGREEMENT

This Telephone Numbers and Directory Listings Agreement (this “Agreement”) is made on this __ day of _______________ 20__, by and between Shawarma Stackz LLC, a California limited liability company, (“Franchisor”) and ____ (“Franchisee”).

Recitals

WHEREAS, Franchisor and Franchisee are parties to a certain Shawarma Stackz Franchise Agreement executed on even date herewith (the “Franchise Agreement”) under which Franchisee is granted the right to own and operate a Shawarma Stackz Restaurant (the “Restaurant”); and

WHEREAS, pursuant to the terms of the Franchise Agreement, Franchisee is authorized to use the “Shawarma Stackz” trade name, trademarks, service marks, and logos (collectively the “Marks”) in connection with the operation of the Restaurant, including, but not limited to, the right to use the Marks in Franchisee’s telephone business directory listings and advertising to promote the Restaurant.

NOW, THEREFORE, in consideration of the Recitals above and the terms below, Franchisor and Franchisee agree:

1. Franchisee is authorized to continue using the Marks until the Franchise Agreement is terminated or expires.

2. Franchisee is authorized to obtain telephone service for the Restaurant. That service is not to be used in conjunction with any other business.

3. Franchisee is authorized to obtain various yellow page, white page, information listings and yellow page advertising, and online business directory listings and advertising on Yelp and Google Review, under the trade name “Shawarma Stackz” or any other Marks that Franchisor may authorize Franchisee to use in conjunction with the Restaurant. No additional listings may be used with any telephone number(s) assigned to the Restaurant, without Franchisor’s prior written consent.

4. Franchisee must pay all charges for telephone service, white page, yellow page, information and directory listings, and yellow page advertisements.

5. On termination or expiration of the Franchise Agreement, Franchisee acknowledges that its right to the use of the Marks made available by Franchisor to Franchisee for use under the Franchise Agreement will immediately end, and that all telephone numbers and related directory listings appearing under the Marks will immediately become the property of Franchisor, and Franchisee irrevocably releases to Franchisor all rights to and use of all telephone numbers associated with the Marks then listed. Franchisee irrevocably authorizes the telephone company and any applicable directory listings company, including, but not limited to, Yelp and Google Review, on notification by Franchisor of termination or expiration of the Franchise, to: (i) transfer or assign all of those telephone numbers, accounts, and directory listings to Franchisor; or (ii) to disconnect those telephone numbers

and accounts and assign them to Franchisor; or (iii) to transfer calls coming to those disconnected numbers to any telephone numbers issued by the telephone company to Franchisor, without need for any further document(s) from Franchisee.

6. Franchisee irrevocably releases the telephone company, the directory listings companies, including Yelp and Google Review, Franchisor and their respective successors, assigns, directors, officers, employees and agents, from liability of any kind that may result directly from Franchisor's exercise of its rights under this Agreement or from the telephone company's or directory listings company's cooperation with Franchisor in effecting the terms of this Agreement.

7. The undersigned agree to the terms of this Agreement.

FRANCHISOR

SHAWARMA STACKZ LLC

By: ______________________________

Print Name: ________________________

Title: _____________________________

Date: ____________________________

FRANCHISEE

If Franchisee is an individual:

By: _____________________________

Print Name: ______________________

Date: ___________________________

By: _____________________________

Print Name: ______________________

Date: ___________________________

If Franchisee is a corporation or other entity:

____

[Name of Franchisee]

By: ___________________________

Print Name: _____________________

Title: __________________________

Date: __________________________

By: ___________________________

Print Name: _____________________

Title: ___________________________

Date: __________________________

EXHIBIT FA-5
ADDENDUM TO SHAWARMA STACKZ FRANCHISE AGREEMENT

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT

For value received, and in consideration for, and as an inducement to Shawarma Stackz LLC, (“Franchisor”) to execute the Shawarma Stackz Franchise Agreement (the “Franchise Agreement”), of even date herewith, by and between Franchisor and ______________________________________ or his assignee, if a partnership, corporation or limited liability company is later formed (“Franchisee”), ____ (“Guarantor(s)”), jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns the full and timely performance by Franchisee of each obligation undertaken by Franchisee under the terms of the Franchise Agreement, including all of Franchisee’s monetary obligations arising under or by virtue of the Franchise Agreement.

Upon demand by Franchisor, Guarantor(s) will immediately make each payment required of Franchisee under the Franchise Agreement. Guarantor(s) hereby waives any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Franchise Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of Guarantor(s) under this Guarantee, Indemnification and Acknowledgment, Franchisor may, without notice to Guarantor(s), extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee.

Guarantor(s) waives notice of amendment of the Franchise Agreement and notice of demand for payment by Franchisee, and agrees to be bound by any and all such amendments and changes to the Franchise Agreement.

Guarantor(s) hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorney’s fees, reasonable costs of investigations, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, any amendment, or any other agreement executed by Franchisee referred to therein.

Guarantor(s) hereby acknowledges and agrees to be individually bound by all covenants contained in the Franchise Agreement and all terms and conditions of the Franchise Agreement requiring Franchisee to comply with confidentiality and non-disclosure provisions, as well as post termination covenants against competition and other post termination obligations, to the fullest extent permitted under applicable law. This Guarantee shall terminate upon the expiration or termination of the Franchise Agreement, except that all obligations and liabilities of Guarantor(s) that arise from events that occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by Guarantor(s), and all covenants that by their terms continue in force after termination or expiration of the Franchise Agreement shall remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor will be bound by this Guarantee, but only for defaults and obligations existing at the time of death, and the obligations of the other Guarantor(s) will continue in full force and effect.

The validity of this Guarantee and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced to take against Franchisee, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the Franchise Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guarantee, unless otherwise defined herein, shall have the same meaning as when used in the Franchise Agreement.

The parties agree that this Agreement is to be performed in California and shall be governed by and construed in accordance with the laws of the State of California. The parties specifically agree that any legal proceeding relating to this Agreement must be venued exclusively in the U.S. District Court or state court in the most immediate state judicial district encompassing the Franchisor's then-current headquarters (currently San Diego, California) and having subject matter jurisdiction. Each of the parties consents to personal jurisdiction and venue in any such action in such location. Notwithstanding the foregoing, Franchisor and Guarantor(s) agree that any dispute under this Guarantee shall be resolved by arbitration pursuant to Articles 16 and 17 of the Franchise Agreement (except as otherwise provided in Articles 16 and 17 of the Franchise Agreement).

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

GUARANTOR	**GUARANTOR**
By: _____________________________	By: _____________________________
Print Name: ______________________	Print Name: ______________________
SS #: _____________________	SS #: _____________________
DOB: _____________________	DOB: _____________________
Driver's License No. _____________________	Driver's License No: _____________________

The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.

____ Name of Guarantor	____ Name of Guarantor
____ Name of Guarantor's Spouse	____ Name of Guarantor's Spouse
____ Signature of Guarantor's Spouse	____ Signature of Guarantor's Spouse

EXHIBIT FA-6
ADDENDUM TO SHAWARMA STACKZ FRANCHISE AGREEMENT

ADDENDUM TO LEASE

This Addendum to Lease (this "Addendum") modifies and supplements that certain lease dated __________________________ and entered into by Tenant and Landlord concerning the Location at ____(the "Lease").

Landlord and Tenant, intending that Shawarma Stackz LLC, a California limited liability company, ("Franchisor") (and its successors and assigns) be a third-party beneficiary of this Addendum, agree as follows:

(1) Landlord shall, during the term of the Lease and thereafter, provide Franchisor all sales and other information it may have, whether provided by Tenant or otherwise, related to the operation of Tenant's Shawarma Stackz Restaurant as Franchisor may reasonably request.

(2) Tenant may display the trademarks, service marks and other commercial symbols owned by Franchisor and used to identify the service and/or products offered at the Shawarma Stackz Restaurant, including the name "Shawarma Stackz" and the Shawarma Stackz Restaurant design and image developed and owned by Franchisor, as it currently exists and as it may be revised and further developed by Franchisor from time to time, and certain associated logos in accordance with the specifications required by the Shawarma Stackz Operations Manual, subject only to the provisions of applicable law and in accordance with provisions in the Lease no less favorable than those applied to other tenants of Landlord.

(3) Franchisor, its affiliates, representatives, and employees shall have the right to enter the leased premises to make any modifications necessary to protect the Shawarma Stackz Franchise System and proprietary Marks thereof.

(4) Tenant shall not, and the Landlord shall not permit the tenant to, sublease or assign all or any part of the Lease or the Premises, or extend the term or renew the Lease, without Franchisor's prior written consent.

(5) Landlord shall concurrently provide Franchisor with a copy of any written default notice sent to Tenant and thereupon grant Franchisor the right (but not the obligation) to cure any deficiency or default under the Lease, should Tenant fail to do so, within five (5) days after the expiration of the period in which Tenant may cure the default.

(6) The Premises shall be used only for the operation of a Shawarma Stackz Restaurant.

(7) Tenant may, without Landlord's consent (but subject to providing Landlord with written notice thereof) and without any associated fees, at any time assign this Lease or sublease the whole or any part of the Premises to Franchisor or any successor, subsidiary or affiliate of Franchisor.

(8) In the event of an assignment of the Lease to Franchisor as described in (7) above, Franchisor may further assign this Lease, subject to Landlord's consent, such consent not to be

unreasonably withheld based on the remaining obligations of assignee under the Lease, to a duly authorized franchisee of Franchisor, and thereupon Franchisor shall be released from any further liability under the Lease.

(9) Until changed by Franchisor, notice to Franchisor shall be sent as follows:

Shawarma Stackz LLC
9119 Clairemont Mesa Blvd Suite G
San Diego, CA 92123
Attention: Osama Shabaik

(10) Franchisor shall be an intended third-party beneficiary to the Lease.

(11) None of the provisions in this Addendum or any rights granted Franchisor hereunder, may be amended absent Franchisor's prior written consent.

AGREED:

TENANT	LANDLORD
By: _______________________________	By: _______________________________
Print Name: ________________________	Print Name: ________________________
Its: _______________________________	Its: _______________________________
Date: ______________________________	Date: ______________________________

EXHIBIT FA-7
ADDENDUM TO SHAWARMA STACKZ FRANCHISE AGREEMENT

ADA CERTIFICATION FORM

Shawarma Stackz LLC, a California limited liability company, ("Franchisor") and ____ ("Franchisee") are parties to a franchise agreement dated ________________, 20__ (the "Franchise Agreement") for the operation of a Shawarma Stackz Restaurant at the location identified below (the "Restaurant").

____
(*SHAWARMA STACKZ RESTAURANT ADDRESS)*

ADA Certification:

In accordance with Section 7.4 of the Franchise Agreement, Franchisee certifies to Franchisor that to the best of Franchisee's knowledge, the Restaurant and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisor does not constitute ownership, control, leasing or operation of the Restaurant by Franchisor. Franchisee acknowledges that Franchisor has relied on the information contained in this certification. Furthermore, Franchisee agrees to indemnify Franchisor and each of Franchisor's affiliates, and each of their respective officers, directors, members, shareholders, representatives, employees and agents, in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by such indemnified party(ies) as a result of any matters associated with Franchisee's compliance (or failure to comply) with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

In the event of any dispute concerning or relating to this document and/or any of the transactions and/or matters to which it may apply, such dispute will be resolved in accordance with the dispute resolution provisions of the Franchise Agreement, including Article 16 of the Franchise Agreement. Terms not defined in this document shall have the same meaning as they do in the Franchise Agreement.

[Signatures on Following Page]

All signers are jointly and severally responsible for the representations and promises described in this Acknowledgment and Certification Form.

"FRANCHISEE"

If Franchisee is an individual:

Individually: _______________________________

Print Name: _______________________________

Date: ________________________

Individually: _______________________________

Print Name: _______________________________

Date: ________________________

If Franchisee is a corporation or other entity:

____
[Name of Franchisee]

By: ____

Print Name: _______________________________

Title: _____________________________________

Date: ________________________

EXHIBIT FA-8
ADDENDUM TO SHAWARMA STACKZ FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT

This "Agreement" is made and entered into as of this ___ day of ________________ 20___, by and among Franchisee, Covenantor, and Shawarma Stackz LLC, a California limited liability company ("Franchisor").

"Franchisee":____

"Covenantor":____________________________, employed or engaged by Franchisee as ____________

____.

Address:____

1. PREAMBLES

Franchisor has executed or intends to execute a "Franchise Agreement" with Franchisee under which Franchisor grants to Franchisee certain rights with regard to the operation of an "Shawarma Stackz Restaurant." Before allowing Covenantor to have access to the Confidential Information (as defined below) and as a material term of the Franchise Agreement necessary to protect Franchisor's confidential know-how and distinctive systems, designs, decor, trade dress, specifications, standards and procedures authorized or required by Franchisor from time to time for use in the operation of Franchisee's Shawarma Stackz Restaurant (the "Restaurant") and Franchisor's proprietary rights in and Franchisee's right to use the Confidential Information, Franchisor and Franchisee require that Covenantor enter into this Agreement.

To induce Franchisor to enter into the Franchise Agreement and/or to avoid a material breach thereof Franchisor, Franchisee and Covenantor desire and consider it to be in Covenantor's best interests that Covenantor enter into this Agreement. Due to the nature of Franchisor's and Franchisee's business any use or disclosure of the Confidential Information other than in accordance with this Agreement will cause Franchisor and Franchisee substantial harm.

2. PROTECTION OF CONFIDENTIAL INFORMATION

Covenantor acknowledges and agrees that Franchisor possesses certain confidential and proprietary information in which Franchisor possesses valuable industrial and intellectual property rights consisting of the methods, techniques, formats, specifications, procedures, information, systems, methods of business management, sales and promotion techniques and knowledge of and experience in the operation and franchising of Shawarma Stackz Restaurants (the "Confidential Information"). Franchisor and Franchisee will disclose such parts of the Confidential Information as are required for Covenantor to perform his/her obligations to Franchisee in furnishing Covenantor the training program, the Manual (as defined in the Franchise Agreement) and in guidance furnished to Covenantor for his/her performance of services to Franchisee.

Covenantor agrees to use the Confidential Information only to the extent reasonably necessary to perform Covenantor's duties for Franchisee taking into consideration the confidential nature of the Confidential Information. Covenantor may disclose the Confidential Information only as agent for Franchisee. Covenantor acknowledges and agrees that the unauthorized use or duplication of the

Confidential Information, including, without limitation, in connection with any other business would be detrimental to Franchisor and Franchisee and would constitute a breach of Covenantor's obligations of confidentiality and an unfair method of competition with Franchisor and other Shawarma Stackz Restaurants owned by Franchisor, its affiliates or franchisees.

Covenantor acknowledges and agrees that the Confidential Information is confidential to and a valuable asset of Franchisor. The Confidential Information will be disclosed to Covenantor solely on the condition that Covenantor agrees to the terms and conditions of this Agreement. Covenantor therefore agrees that during the term of the Franchise Agreement and thereafter, he/she: (a) will not use the Confidential Information in any other business or capacity; (b) will maintain the absolute confidentiality of the Confidential Information; (c) will not make unauthorized copies of any portion of the Confidential Information disclosed or recorded in written or other tangible form; and (d) will adopt and implement all reasonable procedures prescribed from time to time by Franchisor and Franchisee to prevent unauthorized use or disclosure of or access to the Confidential Information.

Notwithstanding anything to the contrary contained in this Agreement the restrictions on Covenantor's disclosure and use of the Confidential Information shall not apply to the following: (a) information, methods, procedures, techniques and knowledge which are or become generally known or easily accessible other than by Covenantor's breach of an obligation of confidentiality; and (b) the disclosure of the Confidential Information pursuant to applicable law or in judicial or administrative proceedings to the extent that Covenantor is legally compelled or required by a regulatory body to disclose such information, provided Covenantor has notified Franchisor and Franchisee prior to disclosure and shall have used his/her best efforts to obtain, and shall have afforded Franchisor and Franchisee the opportunity to obtain, an appropriate assurance reasonably satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

3. **SURRENDER OF DOCUMENTS**

Covenantor agrees that as of the date on which Covenantor ceases to perform services for Franchisee in connection with the Restaurant, Covenantor shall immediately cease to use the Confidential Information disclosed to or otherwise learned or acquired by Covenantor and return to Franchisee or to Franchisor if directed by Franchisor all copies of the Confidential Information loaned or made available to Covenantor.

4. COSTS AND ATTORNEY'S FEES

In the event that Franchisor or Franchisee is required to enforce this Agreement in an action against Covenantor, Covenantor shall reimburse Franchisor and/or Franchisee if it/they prevail (whether or not awarded a money judgment) for its/their reasonable attorney's fees, costs and expenses (and interest on such fees, costs, and expenses), whether such fees are incurred before, during or after any trial or administrative proceeding or on appeal.

5. WAIVER

Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any right or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right or remedy at any other time or times.

6. SEVERABILITY

Each section, paragraph, term and provision of this Agreement and any portion thereof shall be considered severable and if for any reason any such provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of or have any other effect upon such other portions of this Agreement as may remain otherwise intelligible. Such other portions shall continue to be given full force and effect and bind the parties hereto. Any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires if Covenantor is a party thereto or upon Covenantor's receipt of a notice from Franchisor that it will not enforce the section, paragraph, term or provision in question.

7. RIGHTS OF PARTIES ARE CUMULATIVE

The rights of the parties hereunder are cumulative and no exercise or enforcement by a party hereto of any right or remedy granted hereunder shall preclude the exercise or enforcement by them of any other right or remedy hereunder or which they are entitled by law to enforce.

8. BENEFIT

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. In the event Franchisor does not execute this Agreement (regardless of the reason) Franchisor shall be deemed a third-party beneficiary of this Agreement and shall have the right to enforce this Agreement directly.

9. EFFECTIVENESS

This Agreement shall be enforceable and effective when signed by Covenantor regardless of whether and when Franchisor or Franchisee signs this Agreement.

10. GOVERNING LAW/CONSENT TO JURISDICTION

This Agreement and the relationship between the parties hereto shall be construed and governed in accordance with the internal laws of the state in which the Restaurant is located without regard to its conflicts of laws principles. Covenantor and Franchisee agree that they shall institute, and that Franchisor may institute any action against any of the parties hereto in any state or federal court of general jurisdiction in the state court of general jurisdiction or the Federal District Court nearest to Franchisor's principal place of business at the time such action is filed. Covenantor and Franchisee irrevocably submit to the jurisdiction of such courts and waive any objections to either the jurisdiction or venue of such court.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts as of the day and year first above written.

Covenantor:	**Franchisee:**
By:_______________________________	By: _______________________________
___________________________________	___________________________________
Print name of **Covenantor**	Print name of **Franchisee**

EXHIBIT FA-9
ADDENDUM TO SHAWARMA STACKZ FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This "Agreement" is made and entered into as of this ____ day of ______________, 20___, by and among Franchisee, Covenantor and Shawarma Stackz LLC, a California limited liability company ("Franchisor").

"Franchisee": ____

"Covenantor":__________________________________, being [an owner], [an officer], [a director] [general partner], [managing member] or [manager] of Franchisee.

Address:____

____

____

1. PREAMBLES

Franchisor has executed or intends to execute a "Franchise Agreement" with Franchisee under which Franchisor grants to Franchisee certain rights with regard to a Shawarma Stackz Restaurant. Before allowing Covenantor to have access to the Confidential Information (as defined below) and as a material term of the Franchise Agreement necessary to protect Franchisor's confidential know-how and distinctive systems, designs, decor, trade dress, specifications, standards and procedures authorized or required by Franchisor from time to time for use in the operation of Franchisee's Shawarma Stackz Restaurant (the "Restaurant") and Franchisor's proprietary rights in and Franchisee's right to use the Confidential Information, Franchisor and Franchisee require that Covenantor enter into this Agreement.

To induce Franchisor to enter into the Franchise Agreement and/or to avoid a material breach thereof Franchisor, Franchisee and Covenantor desire and consider it to be in Covenantor's best interests that Covenantor enter into this Agreement. Due to the nature of Franchisor's and Franchisee's business any use or disclosure of the Confidential Information other than in accordance with this Agreement will cause Franchisor and Franchisee substantial harm.

2. PROTECTION OF CONFIDENTIAL INFORMATION

Covenantor acknowledges and agrees that Franchisor possesses certain confidential and proprietary information in which Franchisor possesses valuable industrial and intellectual property rights consisting of the methods, techniques, formats, specifications, procedures, information, systems, methods of business management, sales and promotion techniques and knowledge of and experience in the operation and franchising of Shawarma Stackz Restaurants (the "Confidential Information"). Franchisor and Franchisee will disclose such parts of the Confidential Information as are required for Covenantor to perform its obligations to Franchisee in furnishing Covenantor the training program, the Operating Manual (as defined in the Franchise Agreement) and in guidance furnished to Covenantor for his/her performance of services to Franchisee.

Covenantor agrees to use the Confidential Information only to the extent reasonably necessary to perform Covenantor's duties for Franchisee taking into consideration the confidential nature of the Confidential Information. Covenantor may disclose the Confidential Information only as agent for Franchisee. Covenantor acknowledges and agrees that the unauthorized use or duplication of the Confidential Information, including, without limitation, in connection with any other business would be detrimental to Franchisor and Franchisee and would constitute a breach of Covenantor's obligations of confidentiality and an unfair method of competition with Franchisor and other Shawarma Stackz Restaurants owned by Franchisor, its affiliates or franchisees.

Covenantor acknowledges and agrees that the Confidential Information is confidential to and a valuable asset of Franchisor. The Confidential Information will be disclosed to Covenantor solely on the condition that Covenantor agrees to the terms and conditions of this Agreement. Covenantor therefore agrees that during the term of the Franchise Agreement and thereafter, he/she: (a) will not use the Confidential Information in any other business or capacity; (b) will maintain the absolute confidentiality of the Confidential Information; (c) will not make unauthorized copies of any portion of the Confidential Information disclosed or recorded in written or other tangible form; and (d) will adopt and implement all reasonable procedures prescribed from time to time by Franchisor and Franchisee to prevent unauthorized use or disclosure of or access to the Confidential Information.

Notwithstanding anything to the contrary contained in this Agreement the restrictions on Covenantor's disclosure and use of the Confidential Information shall not apply to the following: (a) information, methods, procedures, techniques and knowledge which are or become generally known or easily accessible other than by Covenantor's breach of an obligation of confidentiality; and (b) the disclosure of the Confidential Information pursuant to applicable law or in judicial or administrative proceedings to the extent that Covenantor is legally compelled or required by a regulatory body to disclose such information, provided Covenantor has notified Franchisor and Franchisee prior to disclosure and shall have used his/her best efforts to obtain, and shall have afforded Franchisor and Franchisee the opportunity to obtain, an appropriate assurance reasonably satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

3. **IN-TERM RESTRICTIVE COVENANT**

Covenantor acknowledges and agrees that Franchisor and Franchisee would be unable to protect the Confidential Information against unauthorized use or disclosure and Franchisor would be unable to achieve a free exchange of ideas and information among the Shawarma Stackz Restaurants if persons authorized to use the Confidential Information were permitted to engage in, have ownership interests in or perform services for Competitive Businesses (as defined below). Covenantor therefore agrees that for as long as Covenantor is an owner, director, officer, general partner, managing member or manager of Franchisee or is otherwise employed or engaged by Franchisee, Covenantor shall not, without Franchisor's prior written consent, directly or indirectly (through a member of the immediate family or otherwise), have any interest as an owner of (except of publicly-traded securities or interests in other Shawarma Stackz Restaurants pursuant to other franchise agreements with Franchisor or its affiliates), or assist or perform services as a director, officer, employee, consultant, representative, agent or in any other capacity, for, any business principally offering products substantially similar to the products then being offered by the majority of Shawarma Stackz Restaurants (a "Competitive

Business”), nor will Covenantor, without the prior written consist of Franchisor, have any interest, as aforesaid, in, or serve in any capacity, any entity which franchises or otherwise grants to others the right to operate a Competitive Business.

4. **RESTRICTIVE COVENANT UPON TERMINATION OR EXPIRATION OF THE FRANCHISE AGREEMENT OR COVENANTOR’S ASSOCIATION WITH FRANCHISEE**

Upon the first to occur of: (a) termination or expiration without renewal of the Franchise Agreement; or (b) the date as of which Covenantor ceases to be an owner, director, officer, general partner, managing member or manager of, or otherwise employed or engaged by, Franchisee (both referred to herein as a “Termination Event”), Covenantor agrees that, for a period of two (2) years commencing on the effective date of a Termination Event, Covenantor shall not (through a member of the immediate family or otherwise) have any interest as an owner of (except of publicly-traded securities or interests in other Shawarma Stackz Restaurants pursuant to other franchise agreements with Franchisor or its affiliates), or assist or perform services as a director, officer, employee, consultant, representative, agent or in any other capacity for, any Competitive Business located within a five (5) mile radius from any concept (including, but not limited to, Shawarma Stackz Restaurants) franchised or owned and operated by Franchisor, its parent, or any of its affiliates; nor will Covenantor have any interest, as aforesaid, in, or serve in any capacity, any entity which franchises or otherwise grants to others the right to operate a Competitive Business.

Covenantor recognizes the broad scope of the restrictive covenants set forth in Sections 3 and 4 of this Agreement but agrees that they are reasonable. If any court or tribunal of competent jurisdiction shall refuse to enforce any such covenant because it is more extensive whether as to time limit, geographic area, scope of business or otherwise than is deemed reasonable, it is expressly understood and agreed that such covenants shall not be void, but that the restrictions contained therein shall be deemed reduced to the extent necessary to permit the enforcement of such covenants.

Covenantor expressly acknowledges and agrees that Covenantor possesses skills and abilities of a general nature and has opportunities for exploiting such skills. Consequently, enforcement of the covenants made in Sections 3 and 4 of this Agreement will not deprive Covenantor of the ability to earn a living.

5. **SURRENDER OF DOCUMENTS**

Covenantor agrees that, as of the effective date of a Termination Event, Covenantor shall immediately cease to use the Confidential Information disclosed to or otherwise learned or acquired by Covenantor and return to Franchisee or to Franchisor if directed by Franchisor all copies of the Confidential Information loaned or made available to Covenantor.

6. COSTS AND ATTORNEYS’ FEES

In the event that Franchisor or Franchisee is required to enforce this Agreement in an action against Covenantor, Covenantor shall reimburse Franchisor and/or Franchisee if it/they prevail (whether or not awarded a money judgment) for its/their reasonable attorneys’ fees, costs and expenses (and interest on such fees, costs, and expenses), whether such fees are incurred before, during or after any trial or administrative proceeding or on appeal.

7. WAIVER

Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any right or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right or remedy at any other time or times.

8. SEVERABILITY

Each section, paragraph, term and provision of this Agreement and any portion thereof shall be considered severable and if for any reason any such provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of or have any other effect upon such other portions of this Agreement as may remain otherwise intelligible. Such other portions shall continue to be given full force and effect and bind the parties hereto. Any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires if Covenantor is a party thereto or upon Covenantor's receipt of a notice from Franchisor that it will not enforce the section, paragraph, term or provision in question.

9. RIGHTS OF PARTIES ARE CUMULATIVE

The rights of the parties hereunder are cumulative and no exercise or enforcement by a party hereto of any right or remedy granted hereunder shall preclude the exercise or enforcement by them of any other right or remedy hereunder or which they are entitled by law to enforce.

10. BENEFIT

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. In the event Franchisor does not execute this Agreement (regardless of the reason) Franchisor shall be deemed a third-party beneficiary of this Agreement and shall have the right to enforce this Agreement directly.

11. EFFECTIVENESS

This Agreement shall be enforceable and effective when signed by Covenantor regardless of whether and when Franchisor or Franchisee signs this Agreement.

12. GOVERNING LAW/CONSENT TO JURISDICTION

This Agreement and the relationship between the parties hereto shall be construed and governed in accordance with the internal laws of the state in which the Restaurant is located without regard to its conflict of laws principles. Covenantor and Franchisee agree that they shall institute, and that Franchisor may institute any action against any of the parties hereto in any state or federal court of general jurisdiction in the state court of general jurisdiction or the Federal District Court nearest to Franchisor's principal place of business at the time such action is filed. Covenantor and Franchisee irrevocably submit to the jurisdiction of such courts and waive any objections to either the jurisdiction or venue of such court.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts as of the day and year first above written.

COVENANTOR:

____
Print name of Covenantor

____
Signature of Covenantor

FRANCHISEE:

____
Print name of Franchisee

By:______________________________

Print Name: _______________________

Title:____________________________

FRANCHISOR:

Shawarma Stackz LLC
a California limited liability company

By:______________________________

Print Name:_______________________

Title:____________________________

Exhibit C
To Franchise Disclosure Document

FINANCIAL STATEMENTS

SHAWARMA STACKZ, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

ELLSWORTH • STOUT

CPAs and Consultants

SHAWARMA STACKZ, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Table of Contents

Independent Auditor's Report

To the Members
Shawarma Stackz, LLC

Opinion
We have audited the accompanying financial statements of Shawarma Stackz, LLC, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income and members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shawarma Stackz, LLC as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended 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 Shawarma Stackz, LLC 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 Shawarma Stackz, LLC'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 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 Shawarma Stackz, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shawarma Stackz, LLC's ability to continue as a going concern for a reasonable period of time.

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

Ellsworth & Stout, LLC

March 31, 2022
Las Vegas, NV

SHAWARMA STACKZ, LLC
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

		2021		2020
ASSETS				
Current Assets:				
Cash	$	10,888	$	175
Total Assets	$	10,888	$	175
LIABILITIES AND MEMBERS' DEFICIT				
Current Liabilities:				
Accounts payable	$	2,938	$	5,929
Current maturities of deferred franchise fees		3,000		3,000
Total current liabilities		5,938		8,929
Long-Term Liabilities:				
Deferred franchise fees, net of current		21,000		24,000
Members' Deficit		(16,050)		(32,754)
Total Liabilities and Members' Deficit	$	10,888	$	175

See accompanying notes to the financial statements.

SHAWARMA STACKZ, LLC
STATEMENTS OF INCOME AND MEMBERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Revenue	$ 6,662	$ 3,000
Operating Expenses:		
Advertising	2,791	-
Legal and professional fees	39,527	55,447
Office expense and other	2,402	409
Taxes and licenses	2,885	-
Travel and meals	-	16,120
Total operating expenses	47,605	71,976
Net Loss	(40,943)	(68,976)
Members' Equity (Deficit), Beginning of Year	(32,754)	200
Member contributions	64,158	66,022
Member distributions	(6,511)	(30,000)
Members' Deficit, End of Year	$ (16,050)	$ (32,754)

See accompanying notes to the financial statements.

SHAWARMA STACKZ, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities:		
Net loss	$ (40,943)	$ (68,976)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in:		
Increase (decrease) in accounts payable	(2,991)	5,929
Increase (decrease) in deferred franchise fees	(3,000)	27,000
Net cash used in operating activities	(46,934)	(36,047)
Cash Flows From Financing Activities:		
Member contributions	64,158	66,022
Member distributions	(6,511)	(30,000)
Net cash provided by financing activities	57,647	36,022
Net Change in Cash	10,713	(25)
Cash, Beginning of Year	175	200
Cash, End of Year	$ 10,888	$ 175

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Shawarma Stackz, LLC (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of the Business

The Company was organized on August 29, 2019 as a limited liability company under the laws of the state of California. The principal activity of the Company is to sell franchises that operate a distinctive quick service restaurant offering authentic Middle Eastern cuisine and other cuisine, all made from scratch, under the name "Shawarma Stackz" at locations throughout the United States.

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Use of Estimates in Preparation of Financial Statements

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

Cash and Cash Equivalents

The Company considers all highly liquid investments available for current use with original maturity of three months or less to be cash equivalents.

Revenue Recognition

The Company executes franchise agreements for each franchise which set out the terms of the agreement with the franchisee. Franchise agreements typically require the franchisee to pay an initial, non-refundable fee and continuing fees based upon a percentage of sales. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The services provided in exchange for initial franchise fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, initial franchise fees are recognized as revenue over the term of each respective franchise agreement. Revenues for these initial franchise fees are recognized on the straight-line basis, which is consistent with the franchisee's right to use and benefit from intellectual property.

The Company's contract liabilities are comprised of unamortized initial franchise fees. As of December 31, deferred franchise fees consisted of the following:

	2021	2020
Deferred franchise fees	$ 24,000	$ 27,000
Less: current maturities	(3,000)	(3,000)
	$ 21,000	$ 24,000

As of December 31, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise agreements as follows:

2022	$ 3,000
2023	3,000
2024	3,000
2025	3,000
2026	3,000
Thereafter	9,000
	$ 24,000

Continuing fees are recognized monthly, as they are earned.

Advertising

Advertising costs are expensed when incurred or the first time such advertisement appears. For the years ended December 31, 2021 and 2020, total advertising costs were $2,791 and $0, respectively.

Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to the members. Therefore, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

No provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements.

As of December 31, 2021, the tax years that remain subject to potential examination by taxing authorities begin with 2019.

NOTE 2 – REVENUE RECOGNITION

As of December 31, the timing and recognition of revenue was as follows:

	2021	2020
Services transferred at a point in time	$ 3,662	$ -
Services transferred over time	3,000	3,000
	$ 6,662	$ 3,000

Various economic factors such as supply and demand, laws and policies and labor affect revenues and cash flows. The Company's revenue is derived from sources within the United States.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

The Company is involved, from time to time, in claims incidental to the conduct of its business. Based on consultation with legal counsel, the Company does not have claims, either individually or in the aggregate, that would have a material adverse effect on the Company's financial condition or results of operations.

Management is currently responding to the existing effects of the global pandemic and planning for the potential future effects that the pandemic may have on the Company's operations, including the overall health of the economy and consumer spending. At the current time, management is unable to quantify the potential effects of this pandemic on the Company's future financial statements.

NOTE 4 – MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 31, 2022, the date on which the financial statements were available to be issued. No events were identified that required adjustment or disclosure in the financial statements.

SHAWARMA STACKZ, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

ELLSWORTH • STOUT

CPAs and Consultants

SHAWARMA STACKZ, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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ELLSWORTH • STOUT
CPAs and Consultants

Independent Auditor's Report

To the Members
Shawarma Stackz, LLC

We have audited the accompanying financial statements of Shawarma Stackz, LLC , which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income and members' equity (deficit), and cash flows for the year ended December 31, 2020 and for the period August 29, 2019 (date of inception) to December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shawarma Stackz, LLC as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the year ended December 31, 2020 and for the period from August 29, 2019 (date of inception) to December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

Ellsworth & Stout, LLC

March 23, 2021
Las Vegas, NV

The CPA. Never Underestimate The Value.®
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Members of the American Institute of Certified Public Accountants & Nevada Society of Certified Public Accountants

SHAWARMA STACKZ, LLC
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Current Assets:		
Cash	$ 175	$ 200
Total Assets	$ 175	$ 200
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable	$ 5,929	$ -
Current maturities of deferred franchise fees	3,000	-
Total current liabilities	8,929	-
Long-Term Liabilities:		
Deferred franchise fees, net of current	24,000	-
Total Liabilities	32,929	-
Members' Equity (Deficit)	(32,754)	200
Total Liabilities and Members' Equity (Deficit)	$ 175	$ 200

See accompanying notes to the financial statements.

SHAWARMA STACKZ, LLC
STATEMENTS OF INCOME AND MEMBERS' EQUITY (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 2020 AND FOR THE PERIOD AUGUST 29, 2019 (DATE OF INCEPTION) TO DECEMBER 31, 2019

	2020	8/29/19 to 12/31/19
Revenue	$ 3,000	$ -
Operating Expenses:		
Legal and professional fees	55,447	-
Office expense and other	409	-
Travel and meals	16,120	-
Total operating expenses	71,976	-
Net loss	(68,976)	-
Members' Equity, Beginning of Period	200	-
Member contributions	66,022	30,200
Member distributions	(30,000)	(30,000)
Members' Equity (Deficit), End of Period	$ (32,754)	$ 200

See accompanying notes to the financial statements.

SHAWARMA STACKZ, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020 AND FOR THE PERIOD AUGUST 29, 2019 (DATE OF INCEPTION) TO DECEMBER 31, 2019

	2020	8/29/19 to 12/31/19
Cash Flows From Operating Activities:		
Net loss	$ (68,976)	$ -
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in:		
Increase (decrease) in accounts payable	5,929	-
Increase (decrease) in deferred franchise fees	27,000	-
Net cash used in operating activities	(36,047)	-
Cash Flows From Financing Activities:		
Member contributions	66,022	30,200
Member distributions	(30,000)	(30,000)
Net cash provided by financing activities	36,022	200
Net Change in Cash	(25)	200
Cash, Beginning of Period	200	-
Cash, End of Period	$ 175	$ 200

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Shawarma Stackz, LLC (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of the Business

The Company was organized on August 29, 2019 as a limited liability company under the laws of the state of California. The principal activity of the Company is to sell franchises that operate a distinctive quick service restaurant offering authentic Middle Eastern cuisine and other cuisine, all made from scratch, under the name "Shawarma Stackz" at locations throughout the United States.

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Use of Estimates in Preparation of Financial Statements

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

Cash and Cash Equivalents

The Company considers all highly liquid investments available for current use with original maturity of three months or less to be cash equivalents.

Revenue Recognition

From 2014 through 2018, the Financial Accounting Standards Board ("FASB") issued standards to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries ("Topic 606"). The Company adopted Topic 606 at the beginning of the period ended December 31, 2020. Below is a discussion of how the Company's revenues are earned, subsequent to the adoption of Topic 606 and other required disclosures.

The Company executes franchise agreements for each franchise which set out the terms of the agreement with the franchisee. Franchise agreements typically require the franchisee to pay an initial, non-refundable fee and continuing fees based upon a percentage of sales. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Upon the adoption of Topic 606, the Company has determined that the services provided in exchange for initial franchise fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, upon the adoption of Topic 606, initial franchise fees are recognized as revenue over the term of each respective franchise agreement. Revenues for these initial franchise fees are recognized on the straight-line basis, which is consistent with the franchisee's right to use and benefit from intellectual property.

The Company's contract liabilities are comprised of unamortized initial franchise fees. As of December 31, 2020, deferred franchise fees consisted of the following:

Deferred franchise fees	$	27,000
Less: current maturities		(3,000)
	$	24,000

As of December 31, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise agreements as follows:

2021	$	3,000
2022		3,000
2023		3,000
2024		3,000
2025		3,000
Thereafter		12,000
	$	27,000

Continuing fees are recognized monthly, as they are earned. The timing and amount of revenue recognized related to continuing fees was not impacted by the adoption of Topic 606.

Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to the members. Therefore, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

No provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements.

As of December 31, 2020, the tax years that remain subject to potential examination by taxing authorities begin with 2019.

NOTE 2 – REVENUE RECOGNITION

As of December 31, 2020, the timing and recognition of revenue was as follows:

Services transferred at a point in time	$ -
Services transferred over time	3,000
	$ 3,000

Various economic factors such as supply and demand, laws and policies and labor affect revenues and cash flows. The Company's revenue is derived from sources within the United States.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

The Company is involved, from time to time, in claims incidental to the conduct of its business. Based on consultation with legal counsel, the Company does not have claims, either individually or in the aggregate, that would have a material adverse effect on the Company's financial condition or results of operations.

In March 2020, the World Health Organization officially characterized a novel strain of the coronavirus (COVID-19) as a global pandemic. Management is currently responding to the existing effects and planning for the potential future effects that the COVID-19 pandemic may have on the Company's operations, including the overall health of the economy and consumer spending. At the current time, management is unable to quantify the potential effects of this pandemic on the Company's future financial statements.

NOTE 4 – MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 23, 2021, the date on which the financial statements were available to be issued. No events were identified that required adjustment or disclosure in the financial statements.

Exhibit D
To Franchise Disclosure Document

STATEMENT OF PROSPECTIVE FRANCHISEE

SHAWARMA STACKZ
STATEMENT OF PROSPECTIVE FRANCHISEE

[Note: Dates and Answers Must Be Completed in the Prospective Franchisee's Own Handwriting.]

Since the Prospective Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and Shawarma Stackz LLC (also called the "Franchisor" or "Shawarma Stackz") both have an interest in making sure that no misunderstandings exist between them, and to verify that no violations of law might have occurred, and understanding that the Franchisor is relying on the statements I/we make in this document, I/we assure the Franchisor as follows:

A. The following dates and information are true and correct:

1. _____________, 20___ **Initials** _____________	The date on which I/we received a Franchise Disclosure Document about a Franchise.
2. _____________, 20___ **Initials** _____________	The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement and all other documents I/we later signed.
3. _____________, 20___ **Initials** _____________	The earliest date on which I/we signed the Franchise Agreement or any other binding document (not including any Letter or other Acknowledgment of Receipt.)
4. _____________, 20___ **Initials** _____________	The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company.

B. Representations and Other Matters:

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side deals," options, rights-of-first-refusal or otherwise of any type (collectively, the "representations"), including, but not limited to, any which expanded upon or were inconsistent with the Franchise Disclosure Document, the Franchise Agreement, or any other written documents, have been made to or with me/us with respect to any matter (including, but not limited to, advertising, marketing, site location and/or development, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise) nor have I/we relied in any way on any such representations, except as expressly set forth in the Franchise Agreement, or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

____.
(If none, the Prospective Franchisee should write "NONE" in his/her/their own handwriting.)

Prospective Franchisee's Initials: ________________________________

2. No oral, written, visual or other claim, guarantee or representation (including, but not

limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by Franchisor, its affiliates or agents/representatives, nor have I/we relied in any way on any such, except for information (if any) expressly set forth in Item 19 of the Franchise Disclosure Document (or an exhibit referred to therein), except as follows:

Prospective Franchisee's Initials: ___________________________________

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, but not limited to, the Prospective Franchisee obtaining any financing, the Prospective Franchisee's selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or the Prospective Franchisee fully performing any of the Prospective Franchisee's obligations, nor is the Prospective Franchisee relying on the Franchisor or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

____.
(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: ___________________________________

4. The individuals signing for the "Prospective Franchisee" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Franchisee and each of such individuals has received the Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, each written Addendum and any Personal Guarantees.

Prospective Franchisee's Initials: ___________________________________

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has strongly recommended that I/we obtain such independent professional advice. I/we have also been strongly advised by the Franchisor to discuss my/our proposed purchase of, or investment in, a Shawarma Stackz Franchise with existing Franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing Shawarma Stackz Franchisees.

Prospective Franchisee's Initials: ___________________________________

6. I confirm that, as advised, I've spoken with past and/or existing Shawarma Stackz Franchisees, and that I made the decision as to which, and how many, Shawarma Stackz Franchisees to speak with.

Prospective Franchisee's Initials: ___________________________________

7. I/we understand that: entry into any business venture necessarily involves some unavoidable risk of loss or failure, the purchase of a Shawarma Stackz Restaurant (or any other restaurant business) is a speculative investment, an investment beyond that outlined in the Franchise Disclosure Document may be required to succeed, there exists no guaranty against possible loss or failure in this or any other business and the most important factors in the success of any Shawarma Stackz Restaurant, including the one to be operated by me/us, are my/our personal business, marketing, sales, management, judgment and other skills.

Prospective Franchisee's Initials: ______________________________________

8. I/we understand and agree that the Franchisor does not furnish or endorse, or authorize its salespersons or others to furnish or endorse, any oral, written or other information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, that such information (if any) not expressly set forth in Item 19 of the Franchise Disclosure Document (or an exhibit referred to therein) and I/we agree to report any such unauthorized disclosure to Franchisor.

Prospective Franchisee's Initials: ___________________________________

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) **immediately** inform the franchisor's attorney (858-793-1094) and an officer of the Franchisor and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: ____________________________

PROSPECTIVE FRANCHISEE (Individual)

____
Signature

____
Printed Name

____
Signature

____
Printed Name

PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership) [Must be accompanied by appropriate personal guarantee(s)]

____
Legal Name of Entity

a ______________________________________
State of incorporation, formation, etc.

By: _____________________________________

Printed Name: ____________________________

Title: ____________________________________

Exhibit E
To Franchise Disclosure Document

TABLE OF CONTENTS OF THE OPERATIONS MANUAL

SHAWARMA STACKZ
OPERATIONS MANUAL
TABLE OF CONTENTS

Exhibit F
To Franchise Disclosure Document

FORM OF GENERAL RELEASE

GENERAL RELEASE OF ALL CLAIMS

_______________________(“**FRANCHISEE**”) and ______________________, an individual (“**GUARANTOR**”) enter into this General Release on __________________, with reference to the following facts:

1. On ______________________, Shawarma Stackz LLC, a California limited liability company (“**FRANCHISOR**”), and FRANCHISEE entered into a Franchise Agreement (the “Franchise Agreement”) to operate a Shawarma Stackz Franchised Business located at ____ (the “**Premises**”). GUARANTOR guaranteed FRANCHISEE’S performance under the Franchise Agreement pursuant to a Guarantee and Assumption of Obligations (the “**Guarantee**”). In consideration of FRANCHISOR’S processing and approval of ____, the Franchise Agreement provides that FRANCHISEE must sign this General Release as a condition to such ____. All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guarantee.

2. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FRANCHISEE and GUARANTOR hereby release and forever discharge FRANCHISOR, its parents and subsidiaries and the directors, officers, employees, attorneys and agents of said corporations, and each of them, from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, known or unknown (collectively “Damages”), which arose on or before the date of this General Release, including any Damages with respect to the Franchise Agreement, the Franchised Business, the Premises and the Guarantee. FRANCHISEE waives any right or benefit which FRANCHISEE or GUARANTOR may have under Section 1542 of the California Civil Code or any equivalent law or statute of any other state.

Section 1542 of the California Civil Code reads as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

3. This General Release sets forth the entire agreement and understanding of the parties regarding the subject matter of this General Release and any agreement, representation or understanding, express or implied, heretofore made by any party or exchanged between the parties are hereby waived and canceled.

4. This Agreement shall be binding upon each of the parties to this General Release and their respective heirs, executors, administrators, personal representatives, successors and assigns.

[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year set forth above.

FRANCHISEE:

By: ____

Print Name: ___________________________________

Title: ____

GUARANTOR:

By: ____**, an individual**

Print Name: ___________________________________

Exhibit G
To Franchise Disclosure Document

STATE-SPECIFIC ADDENDA

ADDITIONAL STATE DISCLOSURES

If the franchise is located in or if franchisee is a resident of any of the following states, then the designated provisions in the Uniform Franchise Disclosure Document ("Disclosure Document") and Franchise Agreement will be amended as follows:

CALIFORNIA

ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at https://dfpi.ca.gov.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

1. The following language is added to the end of Item 3 of the Disclosure Document:

   Neither Shawarma Stackz LLC, nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

2. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

   The Franchise Agreement requires Franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

   California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

   The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

   The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law, but we will enforce it to the extent enforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur in San Diego County, California, with the costs being borne by the non-prevailing party. The prevailing party shall be entitled to recover reasonable compensation for expenses, costs and fees in connection with arbitration, including reasonable attorney's fees. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

The maximum interest rate allowed in California is 10%.

3. The following language is added to the end of Item 5 of the Disclosure Document:

All initial franchise fees are deferred until the franchisor's pre-opening obligations to the franchisee are complete and the franchisee is open for business.

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

CALIFORNIA

ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

1. The following language is added at the end of Section 5.1 of this Agreement:

All initial franchise fees are deferred until Franchisor's pre-opening obligations to Franchisee are complete and Franchisee is open for business.

2. The following provision is added to the Franchise Agreement:

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Shawarma Stackz LLC	Franchisee:______________________________
By: ____________________________________	By: ____________________________________
Title:___________________________________	Title: __________________________________

HAWAII

ADDENDUM TO DISCLOSURE DOCUMENT

These franchises will be/ have been filed under the Franchise Investment Law of the State of Hawaii. Filing does not constitute approval, recommendation or endorsement by the Director of Commerce and Consumer Affairs or a finding by the Director of Commerce and Consumer Affairs that the information provided herein is true, complete, and not misleading.

The Franchise Investment Law makes it unlawful to offer or sell any franchise in this state without first providing to the prospective franchisee, or subfranchisor, at least seven days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least seven days prior to the payment of any consideration by the franchisee, or subfranchisor, whichever occurs first, a copy of the Disclosure Document, together with an copy of all proposed agreements relating to the sale of the franchise.

This Disclosure Document contains a summary only of certain material provisions of the franchise agreement. The contract or agreement should be referred to for a statement of all rights, conditions, restrictions and obligations of both the franchisor and the franchisee.

ILLINOIS

ADDENDUM TO DISCLOSURE DOCUMENT

1. The "**Summary**" section of Item 17(v), entitled **Choice of forum**, is deleted in its entirety.

2. The "**Summary**" section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Illinois law applies.

4. Illinois law governs the agreement(s) between the parties to this franchise.

5. Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void, provided that arbitration may take place outside of Illinois. 815 ILCS 705/4 (West 2010)

6. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. 815 ILCS 705/41 (West 2010)

ILLINOIS

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987 (as amended), the parties to the attached Franchise Agreement ("**Agreement**") agree as follows:

1. Section 19, "**ENTIRE AGREEMENT"** is amended by adding the following:

   No other representation has induced Franchisee to execute this Agreement and there are no representations (except for those made in the Franchise Disclosure Document that Franchisee received from Franchisor), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise.

2. Section 16.4, "**CHOICE OF LAWS,**" is deleted in its entirety and replaced with the following:

   EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), THE FEDERAL ARBITRATION ACT, OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF THE STATE OF ILLINOIS.

3. Section 16.2, "**VENUE,**" is deleted in its entirety.

4. Under the law of Illinois, any condition, stipulation or provision that purports to bind a person acquiring a franchise to waive compliance with the Franchise Disclosure Act of Illinois is void. Accordingly, insofar as the Franchise Agreement requires you to waive your rights under the Illinois franchise law, these requirements are deleted from the Franchise Agreement. This provision will not prevent the franchisor from requiring you to sign a general release of claims as part of a negotiated settlement of a dispute or actual lawsuit filed under any of the provisions of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Shawarma Stackz LLC	Franchisee:________________________
By: ____________________________	By: ____________________________
Title:___________________________	Title: ___________________________

ILLINOIS

AMENDMENT TO AREA DEVELOPMENT AGREEMENT

The Area Development Agreement is specifically amended as follows:

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987 (as amended), the parties to the attached Area Development Agreement ("**Agreement**") agree as follows:

1. Illinois law governs the agreements between the parties to this franchise.

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

3. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

4. Your rights upon termination and non-renewal of a franchise are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Shawarma Stackz LLC	Franchisee:_______________________________
By: _____________________________________	By: _____________________________________
Title:____________________________________	Title: ____________________________________

MARYLAND

ADDENDUM TO DISCLOSURE DOCUMENT

1. The "**Summary**" section of Item 17(c) entitled **Requirements for you to renew or extend**, and the "Summary" section of Item 17(m) entitled **Conditions for our approval of transfer**, is amended by adding the following:

> Any general release you sign shall not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law.

2. The "**Summary**" section of Item 17(h) entitled **"Cause" defined (defaults which cannot be cured)**, is amended by adding the following:

> The Franchise Agreement provides for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following are added to the end of the chart in Item 17:

> Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.
>
> A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

MARYLAND

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

Any provision requiring Franchisee to execute a general release of any and all claims against Franchisor shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

Termination upon bankruptcy of the Franchisee might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but Franchisor intends to enforce it to the extent enforceable.

Section 22 shall be supplemented by the following additional language:

> PROVIDED, HOWEVER, THAT THIS LIMITATION OF CLAIMS SHALL NOT ACT TO REDUCE THE THREE (3) YEAR STATUTE OF LIMITATIONS AFFORDED FRANCHISEE FOR BRINGING A CLAIM UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Any provision of this Franchise Agreement which requires a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law in order to purchase a franchise are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Shawarma Stackz LLC	Franchisee:____________________
By: ____________________	By: ____________________
Title:____________________	Title: ____________________

MARYLAND

AMENDMENT TO THE STATEMENT OF PROSPECTIVE FRANCHISEE (DISCLOSURE QUESTIONNAIRE)

The Statement of Prospective Franchisee (Disclosure Questionnaire) is specifically amended as follows:

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (as amended), Md. Code Bus. Reg. Sections 14-201 through 14-233, the following paragraph is added to the Franchisee Disclosure Questionnaire:

> Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Representations in this questionnaire 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.

____
Name of Franchisee/Applicant

Date: ___________________________________

____
Signature

____
Name and Title of Person Signing

MICHIGAN

ADDENDUM TO DISCLOSURE DOCUMENT

The following disclosures are required by the State of Michigan:

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

Each of the following provisions is void and unenforceable if contained in any documents related to a franchise:

A. A prohibition on the right of a franchisee to join an association of franchisees.

B. A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

C. A provision that permits a franchisor to terminate a franchise prior to the expiration of this term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

D. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

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

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

G. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

1) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

2) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

2. If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00 the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be direct to:

State of Michigan
Consumer Protection Division
Attention: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, MI 48933
(517) 373-1160

Note: Despite paragraph F above, we intend to enforce fully the provisions of the arbitration section contained in the Franchise Agreement. We believe that paragraph F is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce this section as well.

MINNESOTA

ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

1. Item 13 **Trademarks** is amended by adding the following:

   As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any of your costs incurred in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and are given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. Item 17 **Renewal, Termination, Transfer and Dispute Resolution** is amended by adding the following:

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

   B. **Choice of Forum**
   Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

   C. **Releases**
   A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Section 80C.22.

3. These franchises have been registered under the Minnesota Franchise Act, registration does not constitute approval, recommendation, or endorsement by the Commissioner of Commerce of Minnesota or a finding by the Commissioner that the information provided herein is true, complete, and not misleading.

4. The Minnesota Franchise Act makes it unlawful to offer or sell any franchise in this state which is subject to registration without first providing to the franchisee, at least 7 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 7 days prior to the payment of any consideration, by the franchisee, whichever occurs first, a copy of this Disclosure Document, together with a copy of all proposed agreements relating to the franchise. This Disclosure Document contains a summary only of certain material provisions of the Franchise Agreement. The contract or agreement should be referred to for an understanding of all rights and obligations of both the franchisor and the franchisee.

5. With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Section 80C.17, Subd. 5, which requires that no action may be commenced more than three years after the cause of action accrues.

6. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving rights to a jury trial; waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction; or consenting to liquidated damages, us obtaining injunctive relief, termination penalties or judgment notes. However, we and you will enforce these provisions in the Franchise Agreement and/or Area Development Agreement to the extent the law allows.

MINNESOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et seq., the parties to the attached Franchise Agreement ("Agreement") agree as follows:

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

As required by Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee's right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Section 80C.22.

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.17, Subd. 5, which requires that no action may be commenced more than three years after the cause of action accrues.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit Franchisor from requiring litigation to be conducted outside Minnesota. Those provisions also provide that nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minn. Rule Part 2860.4400J prohibits a Franchisee from waiving rights to a jury trial; waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction; waiving any bond required by a court; or consenting to liquidated damages, Franchisor obtaining injunctive relief, termination penalties or judgment notes. However, Franchisor and Franchisee will enforce these provisions in the Agreement to the extent the law allows.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Shawarma Stackz LLC	Franchisee:________________________________
By: ______________________________________	By: ______________________________________
Title:_____________________________________	Title: ____________________________________

NEW YORK

ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

1. The following paragraphs are added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK, 10271-0332.

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

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither we nor any of our affiliates, predecessors, officers, or general partners have, during the 10-year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of ours held this position in such company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Items 17(d), titled "**Termination by franchisee"**:

You may terminate the agreement on any grounds available by law.

7. The following language is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following language is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law"**:

The forgoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

ADDENDUM TO DISCLOSURE DOCUMENT

1. The following language is added to the "Summary" section of Item 17(c) entitled **Requirements for you to renew or extend** and Item 17(m) entitled **Conditions for our approval of a transfer**:

> The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

2. The applicable portion of the "Summary" section of Item 17(i) entitled **Your obligations on termination/non-renewal** is amended to read as follows:

> If we prevail in any enforcement action, you will pay all damages and costs we incur in enforcing the termination provisions of the Franchise Agreement.
>
> Any requirement that Franchisee consent to termination penalties or liquidated damages may not be enforceable under North Dakota law.
>
> The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

3. The following is added to the "Summary" section of Item 17(u) entitled **Dispute resolution by arbitration or mediation**:

> To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.
>
> The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

4. The following is added to the "Summary" section of Item 17(r) entitled **Non-competition covenants after the franchise is terminated or expires**:

> Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

5. The following is added to the "Summary" section of Item 17(v) entitled **Choice of forum**:

> However, to the extent allowed by the North Dakota Franchise Investment Law, you may commence any cause of action against us in any court of competent jurisdiction, including the state or federal courts of North Dakota.

6. The following is added to the "Summary" section of Item 17(w) entitled Choice of Law:

> To the extent California law conflicts with North Dakota law, North Dakota law will control.

NORTH DAKOTA

AMENDMENT TO FRANCHISE AGREEMENT

1. The following is added to Section 3.2, **“RENEWAL”** and Section 14 “**TRANSFER OF INTEREST**”:

   The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

2. The following is added to Section 16.2, "**VENUE**":

   However, to the extent allowed by the North Dakota Franchise investment Law, Franchisee may commence any cause of action against Franchisor in any court of competent jurisdiction, including the state or federal courts of North Dakota.

3. The following is added to Section 16.1, “**MANDATORY BINDING ARBITRATION”**

   To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which Franchisor and Franchisee mutually agree.

4. Section 18, “**ACKNOWLEDGMENTS**” is amended by the addition of the following language to the original language that appears therein to read as follows:

   Franchisee acknowledges that Franchisee received a copy of this Agreement, the attachments hereto, if any, and agreements relating thereto, if any, at least seven (7) days prior to the date on which this Agreement was executed.

5. Section 13, “**COVENANTS NOT TO COMPETE”** is amended by the addition of the following language to the original language that appears therein:

   Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

6. In Sections 13.4 and 15.6 F., any requirement that Franchisee consent to termination penalties or liquidated damages may not be enforceable under North Dakota law.

7. The following language is added at the end of Section 16.5, "CHOICE OF LAWS":

   To the extent California law conflicts with North Dakota law, North Dakota law will control.

8. The following is added to Section 16.1, “WAIVER OF COURT TRIAL”:

   The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

9. The following is added to Section 16, “RESOLUTION OF DISPUTES”:

   The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Shawarma Stackz LLC	Franchisee:_____________________________
By: _____________________________	By: ___________________________________
Title: ___________________________	Title: _________________________________

NORTH DAKOTA

AMENDMENT TO AREA DEVELOPMENT AGREEMENT

1. In Section VIII, any requirement that Franchisee consent to termination penalties or liquidated damages may not be enforceable under North Dakota law.

2. Section X (regarding covenants not to compete) is amended by the addition of the following language to the original language that appears therein:

   Covenants not to compete such as those mentioned in this Section X are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

3. The following is added to Section XIX (a), "**MANDATORY BINDING ARBITRATION"**

   To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which Franchisor and Franchisee mutually agree.

4. The following is added to Section XIX(b), "**VENUE**":

   However, to the extent allowed by the North Dakota Franchise Investment Law, Franchisee may commence any cause of action against Franchisor in any court of competent jurisdiction, including the state or federal courts of North Dakota.

5. The following language is added at the end of Section XIX(g), "**CHOICE OF LAWS**":

   To the extent California law conflicts with North Dakota law, North Dakota law will control.

6. The following is added to Section XIX(c), "**WAIVER OF TRIAL BY JURY":**

   The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

7. The following is added to Section XIX(d) **"LIMITATIONS ON CLAIMS"**:

   The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Shawarma Stackz LLC	Franchisee:_______________________________
By: ______________________________	By: ______________________________________
Title: _____________________________	Title: _____________________________________

RHODE ISLAND

ADDENDUM TO DISCLOSURE DOCUMENT

The following language is added to Item 17(v) entitled **Choice of forum**:

, except as otherwise required by the Rhode Island Franchise Investment Act

RHODE ISLAND

AMENDMENT TO FRANCHISE AGREEMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act (Section 19-28.1-14), the parties to the attached Franchise Agreement agree as follows:

Section 16.2, “**VENUE”** is amended by adding the following:

> §19-24.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Shawarma Stackz LLC	Franchisee:______________________________
By: ____________________________________	By: ____________________________________
Title: __________________________________	Title: __________________________________

SOUTH DAKOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

The following provisions shall apply and supersede any provision in the Franchise Agreement to the contrary:

1. Franchise registration, employment, covenants not to compete and other matters of local concern will be governed by the laws of the State of South Dakota. As to contractual and all other matters, the Franchise Agreement will be and remain subject to the construction, enforcement and interpretation of the laws of the State specified in Section 16.4 of the Franchise Agreement. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the franchisee to agree to jurisdiction or venue, in a forum outside of South Dakota, is deleted from any Franchise Agreement issued in the State of South Dakota.

2. Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, or consequential damages or any provision that provides that parties waive their right to a jury trial may not be enforceable under South Dakota law.

3. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of South Dakota.

4. Termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make Royalty payments contained in the Franchise Agreement shall afford you thirty (30) days written notice with an opportunity to cure the default before termination.

5. To the extent this Amendment is inconsistent with any terms or conditions of the Franchise Agreement, schedules or attachments thereto, or the Disclosure Document, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Shawarma Stackz LLC	Franchisee:________________________________
By: ________________________________	By: ________________________________
Title: ______________________________	Title: ______________________________

VIRGINIA

ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Shawarma Stackz LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statement is added to Item 17.h:

> "Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause", as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

WASHINGTON

ADDENDUM TO DISCLOSURE DOCUMENT

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with Shawarma Stackz LLC including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the Shawarma Stackz LLC including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

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

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

WASHINGTON

AMENDMENT TO FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Franchisees who receive financial incentives to refer franchise prospects to franchisors may be required to register as franchise brokers under the laws of Washington State.

[Signatures on Following Page]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

Shawarma Stackz LLC	Franchisee:______________________________
By: ______________________________	By: ____________________________________
Title: ____________________________	Title: __________________________________

Exhibit H
To Franchise Disclosure Document

LIST OF FRANCHISEES AND THEIR OUTLETS

LIST OF FRANCHISEES AND THEIR OUTLETS AT OUR FISCAL YEAR END 2021

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
O & S Enterprises	Mohammad Omar Qayyum and Qassam Tariq	1132 Galleria Blvd, Suite 100	Roseville	CA	95678	(916) 270-2907

Exhibit I
To Franchise Disclosure Document

LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT

LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT

There are no franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

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

Exhibit J
To Franchise Disclosure Document

AREA DEVELOPMENT AGREEMENT

SHAWARMA STACKZ

AREA DEVELOPMENT AGREEMENT

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SHAWARMA STACKZ RESTAURANT
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into this ___ day of ________________, by and between Shawarma Stackz LLC, a California limited liability company, doing business as "Shawarma Stackz" ("Franchisor) and __________________________, a/an _________ __________________________________ ("Developer").

RECITALS

A. **WHEREAS**, Tahini, LLC, a California limited liability company, ("Licensor") has developed and owns various business techniques and methods, trade secrets, copyrights, recipes, ingredient lists, confidential and proprietary information and other intellectual property rights (the "System") for the establishment and operation of quick-service restaurants offering authentic Middle Eastern cuisine and other cuisine, all made from scratch, ("Shawarma Stackz Restaurants") identified by the "Shawarma Stackz" trade name, logo and other trademarks and service marks and related trade dress, as licensed hereunder (the "Marks").

B. **WHEREAS,** the System includes the Marks and trade secrets, proprietary methods and information and procedures for the establishment and operation of Shawarma Stackz Restaurants, including, without limitation, confidential manuals (collectively, the "Manual"), recipes, ingredients, menu specifications, marketing, advertising and sales promotions, equipment, furniture and fixtures, cost controls, accounting and reporting procedures, training methods, distinctive interior design and display procedures, and color scheme and décor.

C. **WHEREAS**, pursuant to a written agreement dated September 1, 2019, Franchisor has licensed from Licensor the non-exclusive rights to franchise the System and the Marks in connection with its franchise program. Under its franchise program, Franchisor grants to qualified persons, who are willing to undertake the required investment and effort, a license to open and operate a Shawarma Stackz Restaurant.

D. **WHEREAS**, Developer has applied for an option to obtain licenses to establish and operate multiple Shawarma Stackz Restaurants within a specified protected territory, and such application has been approved by Franchisor in reliance upon all of the representations made therein.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other set forth in this Agreement, hereby agree as follows:

I. GRANT

(a) Franchisor hereby grants to Developer, pursuant to the terms and conditions of this Agreement, options to obtain licenses to establish and operate ____________ (____) Shawarma Stackz Restaurants within the territory described in Exhibit A attached hereto and incorporated herein by this reference (the "Designated Territory").

(b) Developer shall be bound by the Development Schedule ("Development Schedule") set forth in Exhibit B. Time is of the essence to this Agreement. Each Shawarma Stackz Restaurant shall be established and operated pursuant to a separate franchise agreement ("Franchise Agreement") to be entered into by Developer and Franchisor. Each Franchise Agreement shall be in Franchisor's then-current form of the Franchise Agreement. Developer acknowledges and agrees that all Franchise Agreements entered into in connection with the Shawarma Stackz Restaurants within the Designated Territory are independent of this Agreement. The continued existence of such Franchise Agreement shall not depend on the continuing existence of this Agreement.

(c) This Agreement is not a Franchise Agreement, and Developer shall have no right to use the Marks in any manner by virtue hereof or to engage in the business of offering, selling or distributing goods or services under the Marks or the System in any manner.

(d) Developer shall have no right under this Agreement to license others to operate a business or use the System or the Marks.

II. PROTECTED TERRITORY

(a) Developer will receive a protected territory under this Agreement. So long as Developer is in good standing and in compliance with this Agreement, Franchisor will not establish or license another to establish a Shawarma Stackz Restaurant or a "Tahini" brand restaurant, which is the tradename of Franchisor's company-owned restaurants that are similar to Shawarma Stackz Restaurants, in the Designated Territory for the term of this Agreement.

(b) During the term of this Agreement, Franchisor reserves the right to:

(i) establish and operate, and allow others to establish and operate, Shawarma Stackz Restaurants using the Marks and the System, at any location outside the Designated Territory, on such terms and conditions Franchisor deems appropriate;

(ii) establish and operate, and allow others to establish and operate, Competitive Businesses that may offer products and services which are identical or similar to products and services offered by Shawarma Stackz Restaurants, under trade names, trademarks, service marks and commercial symbols different from the Marks outside the Designated Territory;

(iii) establish, and allow others to establish, other businesses and distribution channels (including, but not limited to, temporary or mobile facilities, sales through retail stores that do not operate under the Marks, sales made at wholesale, or sales via the Internet), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Shawarma Stackz Restaurants, and that sell products and/or services that are identical or similar to, and/or competitive with, those that Shawarma Stackz Restaurants customarily sell;

(iv) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Shawarma Stackz Restaurants, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Designated Territory);

(v) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Shawarma Stackz Restaurants, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Designated Territory; and

(vi) engage in all other activities not expressly prohibited by this Agreement.

III. DEVELOPMENT FEE

(a) As consideration for the rights and options granted herein, Developer shall pay to Franchisor a development fee ("Development Fee") in an amount equal to $25,000 multiplied by the number of Shawarma Stackz Restaurants to be developed under the terms of this Agreement within the Designated Territory. Upon the execution of this Agreement, Developer shall pay Franchisor a portion of the Development Fee in an amount equal to $15,000 multiplied by the number of Shawarma Stackz Restaurants to be developed under the terms of this Agreement. Developer shall pay the remaining $10,000 due for each Restaurant upon the execution of the Franchise Agreement for each such Restaurant.

(b) The Development Fee is fully earned by Franchisor when paid and is non-refundable for the reason that, upon the signing of this Agreement, Franchisor will hold the Designated Territory for Developer and will not establish or license another to establish a Shawarma Stackz Restaurant or a "Tahini" brand restaurant in the Designated Territory until Developer has established and opened all the Shawarma Stackz Restaurants as agreed hereunder.

(c) Developer shall submit a separate application for each Shawarma Stackz Restaurant to be established within the Designated Territory by Developer. Upon approval of the site for the Shawarma Stackz Restaurant by Franchisor, a separate Franchise Agreement shall be executed for such Shawarma Stackz Restaurant.

(d) Notwithstanding anything to the contrary contained in the Franchise Agreement, the Initial Franchise Fee due for each Shawarma Stackz Restaurant developed hereunder shall be reduced to $25,000.

(e) Each time Developer signs a Franchise Agreement for a Shawarma Stackz Restaurant developed hereunder, Franchisor will credit the amount paid for the Restaurant, as part of the Development Fee, against the Initial Franchise Fee due for such Restaurant.

(f) Upon the execution of each Franchise Agreement, the terms and conditions of such Franchise Agreement shall control the establishment and operation of such Shawarma Stackz Restaurant.

IV. DEVELOPMENT SCHEDULE AND MANNER OF EXERCISING OPTIONS

(a) Developer agrees to have open and in operation at the end of each development period set forth on the Development Schedule the cumulative number of Shawarma Stackz Restaurants set forth on the Development Schedule. During each Development Period, Developer shall exercise options by entering into Franchise Agreements with Franchisor pursuant to this Agreement for the number of Shawarma Stackz Restaurants described under the Development Schedule and have such number of Shawarma Stackz Restaurants open for business. Developer shall at all times after the expiration of each of the Development Periods continuously maintain in operation pursuant to each Franchise Agreement at least the number of Shawarma Stackz Restaurants set forth on the Development Schedule, provided however that such obligation does not apply to Shawarma Stackz Restaurants that are transferred in accordance with the provisions of the Franchise Agreement, or are closed due to force majeure.

(b) Developer shall exercise each option granted herein only as follows:

(i) By giving Franchisor written notice of Developer's intention to exercise such option at least thirty (30) days before the execution of the Franchise Agreement for the applicable business; and

(ii) By executing the then-current form of the Franchise Agreement for the applicable Shawarma Stackz Restaurant and complying with its terms, including, without limitation, the payment of the unpaid balance of the applicable Initial Franchise Fee.

(c) Franchisor shall execute the Franchise Agreement only if (i) Developer is in compliance with all requirements and obligations of this Agreement and all other agreements between Franchisor and Developer, and (ii) Developer is in strict compliance with all of Developer's respective obligations under each Franchise Agreement, including, without limitation, its financial obligations and obligation to operate each Shawarma Stackz Restaurant in compliance with the System. In order to meet the Development Schedule, the Franchise Agreement must be executed by Developer and Franchisor and the Shawarma Stackz Restaurant to be operated under such Franchise Agreement must be open for business within the applicable Development Period. Developer must comply with all of the terms and conditions of each Franchise Agreement.

V. <u>TERM</u>

Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all rights granted hereunder to Developer shall expire on the date of Franchisor's acceptance and execution of a Franchise Agreement for the last of the Shawarma Stackz Restaurants to be established pursuant to the Development Schedule.

VI. <u>DEVELOPER'S DUTIES</u>

Developer shall perform the following obligations:

(a) Developer shall comply with all terms and conditions set forth in this Agreement.

(b) Developer shall comply with all of the terms and conditions of each Franchise Agreement, including, without limitation, the operating requirements specified in each Franchise Agreement. However, Developer will not be required to attend the initial franchisee training conducted by Franchisor in connection with the second or any subsequent Shawarma Stackz Restaurant.

(c) At Franchisor's option, at any time during this Agreement, Franchisor may require Developer to engage a district manager to oversee the development and operation of Developer's Shawarma Stackz Restaurant. Such district manager shall be in addition to, not in lieu of, the managers responsible for the day to day operations of the Shawarma Stackz Restaurants, as required under the Franchise Agreements.

(d) Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Developer by Franchisor, and Developer shall disclose such information or materials only to such of Developer's employees or agents who must have access to it in connection with their employment. All of Developer's employees or agents who must have access to such information or materials shall be required to execute nondisclosure agreements in the form acceptable to Franchisor. Developer shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

(e) Developer shall comply with all requirements of federal, state and local laws, rules and regulations.

(f) Developer shall return to Franchisor all manuals and other confidential information that Developer received from Franchisor in the course of operating the Shawarma Stackz Restaurant when Developer leaves the System.

VII. PROPRIETARY MARKS/CONFIDENTIALITY

Notwithstanding any provision to the contrary under this Agreement, it is understood and agreed that this Agreement does not grant Developer any right to use the Marks or to use any of Franchisor's confidential information. Further, it is understood and agreed that this Agreement does not grant Developer, and Developer does not have any right to, any copyright or patent which Franchisor now owns or may hereinafter own. Rights to the Marks, confidential information or copyrights are granted only under the Franchise Agreements to be executed by Franchisor and Developer.

VIII. DEFAULT AND TERMINATION

(a) The options granted to Developer in this Agreement have been granted in reliance on Developer's representations and warranties, and strictly on the conditions set forth in this Agreement, including, without limitation, the condition that Developer strictly complies with the Development Schedule.

(b) Developer shall be deemed in default under this Agreement, and all rights granted herein to Developer shall automatically terminate without notice: (i) if Developer is adjudicated bankrupt, becomes insolvent, commits any affirmative action of insolvency or files any action or petition of insolvency, or if a receiver (permanent or temporary) of Developer's property or any part thereof is appointed by a court of competent authority or if Developer makes a general assignment for the benefit of Developer's creditors; (ii) if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed); (iii) if execution is levied against Developer's business or property; or (iv) if suit to foreclose any lien or mortgage against Developer's premises or equipment is instituted against Developer and not dismissed within thirty (30) days, or is not in the process of being dismissed; provided, however, that Franchisor reserves the right to be named as trustee or receiver in any voluntary petition for bankruptcy or insolvency filed by Developer.

(c) If Developer (i) fails to exercise options and enter into Franchise Agreements with Franchisor pursuant to this Agreement for a Shawarma Stackz Restaurant within any Options Period, as set forth on the Development Schedule; (ii) fails to comply with any other term or condition of this Agreement; (iii) makes or attempts to make a transfer or assignment in violation of this Agreement; (iv) fails to comply with or meet any operational standards, including, but not limited to, the System Standards and Performance Standards in any individual Franchise Agreement with Franchisor; or if Developer fails to comply with the terms and conditions of any individual Franchise Agreement with Franchisor or of any other agreement to which Developer and Franchisor are parties, any such event shall constitute a default under this Agreement. Upon any such default, Franchisor, in Franchisor's discretion, may do any one or more of the following:

1. Terminate this Agreement and all rights granted hereunder to Developer, without affording Developer any opportunity to cure the default, effective immediately upon receipt by Developer of written notice from Franchisor;

2. Reduce the number of Shawarma Stackz Restaurants, without refunding any of the Development Fee, which are subject to options granted to Developer pursuant to this Agreement; or

3. Exercise any other rights and remedies that Franchisor may have.

(d) Upon termination of this Agreement, all remaining options granted Developer to establish Shawarma Stackz Restaurants under this Agreement shall automatically be null and void. Developer shall have no right to establish or operate any Shawarma Stackz Restaurant for which a Franchise Agreement has not been executed by Franchisor. Notwithstanding the above, the terms and conditions of each Franchise Agreement must be complied with by Developer thereunder and shall control in determining whether any default exists under such Franchise Agreement.

(e) No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or equity.

IX. <u>TRANSFERABILITY</u>

(a) Developer acknowledges that Franchisor maintains a staff to manage and operate the franchise system and that staff members can change as employees come and go. Developer represents that Developer has not signed this Agreement in reliance on any particular owners, directors, officers or employees remaining with Franchisor in that capacity. Franchisor may change Franchisor's ownership or form and/or assign this Agreement and any other agreement to a third party without restriction.

(b) Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer and are granted in reliance upon Developer's personal qualifications. Developer has represented and hereby represents to Franchisor that Developer is entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the developmental or option rights hereunder.

(c) Neither Developer, nor any of Developer's partners (if Developer is a partnership), members (if Developer is a limited liability company) or shareholders (if Developer is a corporation), without Franchisor's prior written consent, by operation of law or otherwise, shall sell, assign, transfer, convey, give away or encumber to any person, firm or corporation, all or any part of Developer's interest in this Agreement or Developer's interest in the rights granted hereby or Developer's interest in any proprietorship, partnership, limited liability company, corporation or other entity which owns any interest in such rights, nor offer, permit or suffer the same to be sold, assigned, transferred, conveyed, given away or encumbered in any way to any person, firm or corporation. Developer may not, without

Franchisor's prior written consent, fractionalize any of Developer's rights granted pursuant to this Agreement. Any purported assignment of any of Developer's or any of Developer's partner's, member's or shareholder's rights herein not having the aforesaid consent shall be null and void and shall constitute a material default hereunder. Any assignment or transfer may only be made if the proposed assignees or transferees: (i) are of good moral character and have sufficient business experience, aptitude and financial resources, (ii) otherwise meet Franchisor's then applicable standards for developers, (iii) are willing to assume all of Developer's obligations hereunder and to execute and be bound by all provisions of Franchisor's then-current form of the Area Development Agreement for a term equal to the remaining term hereof; and (iv) willing to assume all of Developer's obligations under each and every Franchise Agreement Developer entered with Franchisor. As a condition to granting Franchisor's approval of any such assignment or transfer, Franchisor may require Developer or the assignee or transferee to pay to Franchisor, Franchisor's then-current assignment fee to defray expenses incurred by Franchisor in connection with the assignment or transfer, legal and accounting fees, credit and other investigation charges and evaluation of the assignee or transferee and the terms of the assignment or transfer. Franchisor shall have the right to require Developer and Developer's owners to execute a general release of Franchisor and Franchisor's owners, directors, officers, successors and assigns, in form and content satisfactory to Franchisor as a condition to Franchisor's approval of the assignment of this Agreement or ownership of Developer.

(d) This Agreement may be assigned to a partnership, limited liability company or corporation which conducts no business other than the business contemplated hereunder and the operation of the Shawarma Stackz Restaurant(s), which is/are actively managed by Developer and in which Developer owns and controls, and continues to own throughout the term of this Agreement, not less than fifty-one percent (51%) of the general partnership interest, limited liability company interest or the corporate equity and voting power, provided that all partners, members or shareholders shall execute an assignment agreement in a form approved by Franchisor undertaking to be bound jointly and severally by all provisions of this Agreement and all issued and outstanding stock certificates of such corporation or other evidence of ownership interest in a partnership or limited liability company shall bear a legend reflecting or referring to the restrictions of this Agreement as designated by Franchisor.

(e) If Developer or Developer's owners shall at any time determine to sell the rights under this Agreement or any of Developer's respective ownership interests in Developer or any of Developer's assets (except in the ordinary course of business), Developer or Developer's owners shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to Franchisor, which shall, for a period of fifteen (15) days from the date of delivery of such offer, have the right, exercisable by written notice to Developer or Developer's owners, to purchase such rights under this Agreement or such ownership interests for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer and that Franchisor shall have not less than sixty (60) days to prepare for closing. If Franchisor does not exercise this right of first refusal, Developer or Developer's owners, as applicable, may complete the sale of such interest in this Agreement or such ownership interest, subject to Franchisor's approval of the purchaser as provided in this Section IX, provided that if such sale is not completed within ninety (90) days after delivery of such offer to Franchisor, Franchisor shall again have the right of first refusal provided herein.

(f) Developer must give Franchisor ninety (90) days' written notice prior to any sale or assignment of a full or partial interest in Developer by Developer or any of Developer's owners. The purpose of this Subsection is to enable Franchisor to comply with any applicable state or federal franchise disclosure laws. Developer agrees to indemnify and hold Franchisor harmless for Developer's failure to comply with this Subsection.

(g) Developer must, within fifteen (15) days of receipt of an offer to buy, give Franchisor written notice whenever Developer or any of Developer's owners have received an offer to buy Developer's or such owner's interest in this Agreement or an interest in Developer itself or any options pursuant to this Agreement. Developer must also give Franchisor written notice simultaneously with an offer to sell any interest in this Agreement or an interest in Developer or any options pursuant to this Agreement, made by, for or on behalf of Developer or any of Developer's owners.

(h) No sale, assignment, transfer, conveyance, encumbrance or gift of any interest in this Agreement or in the options granted thereby, shall relieve Developer and the shareholders, members or partners participating in any transfer, of the obligations of the covenants not to compete with Franchisor contained in this Agreement except where Franchisor shall expressly authorize in writing.

X. COVENANTS

(a) Developer acknowledges that Franchisor has granted Developer the rights under this Agreement in consideration of and reliance upon Developer's agreement to deal exclusively with Franchisor. Developer therefore agrees that, during this Agreement's term, neither Developer, any of Developer's owners, nor any of Developer's or Developer's owners' immediate family members will:

(i) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subsection);

(ii) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(iii) divert or attempt to divert any actual or potential business or customer of a Shawarma Stackz Restaurant to a Competitive Business; or

(iv) engage in any other activity which might injure the goodwill of the Marks and/or the System.

The term "Competitive Business" means any business (other than a Shawarma Stackz Restaurant) principally offering products and services substantially similar to the products and services then being offered by the majority of the Shawarma Stackz Restaurants.

(b) Developer covenants that, except as otherwise approved in writing by Franchisor, Developer shall not, 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, for itself, or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company or corporation, own, maintain, engage in, consult with or have any interest in any Competitive Business within the Designated Territory or within a five (5) mile radius of any other Shawarma Stackz Restaurant in operation or under construction on the later of the effective date of termination or expiration of this

Agreement or on the date on which all persons restricted by this Subsection begin to comply with this Subsection.

(c) Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section X is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section X.

(d) Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section X (a) or X (b) of this Agreement, or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof, and Developer agrees that Developer shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section XVI hereof.

(e) Franchisor shall have the right to require all of Developer's personnel performing managerial or supervisory functions and all personnel receiving special training from Franchisor to execute similar covenants in a form satisfactory to Franchisor.

(f) In addition to the foregoing covenants, Developer shall be bound by and comply with the covenants contained in each Franchise Agreement executed by Franchisor and Developer.

XI. NOTICES

(a) All notices which the parties hereto may be required or permitted to give under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, postage paid, or by reliable overnight delivery service, addressed as follows:

If to Franchisor: Shawarma Stackz LLC
9119 Clairemont Mesa Blvd, Suite G
San Diego, CA 92123
Attn: Osama Shabaik
Ph: (858) 208-8407

Courtesy Copy to:
Tim Pickwell, Esq.
Pickwell Law Group
Hacienda Del Mar
12625 High Bluff Drive, Suite 108 B
San Diego, CA 92130
Ph: (858) 793-1094 / Fax: (858) 793-1096

If to Franchisee: ____________________________
____
____
Telephone:___________________
Facsimile: ____________________

Billing Address (if different)
____
____
____
Telephone:___________________
Facsimile: ____________________

Courtesy Copy to:
____
____
____
Telephone:___________________
Facsimile: ____________________

(b) The addressees herein given for notices may be changed at any time by either party by written notice given to the other party as herein provided. Notices delivered by certified or registered mail shall be deemed to have been given three (3) business days after postmark by United States Postal Service, or the next business day after deposit with reliable overnight delivery service or when delivered by hand.

XII. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

(a) It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

(b) Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. Developer agrees to take such actions as shall be necessary to that end.

(c) Developer understands and agrees that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name and that Franchisor assumes no liability for, nor shall Franchisor be deemed liable by reason of, any act or omission of Developer in Developer's conduct of any Shawarma Stackz Restaurant or any claim or judgment arising therefrom. Developer shall indemnify and hold Franchisor harmless against any and all such claims directly or indirectly from, as a result of or in connection with Developer's operations hereunder or under any Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

(d) Developer acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at Franchisor's sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any developer based upon the peculiarities of the particular location or circumstance, business potential, population of trade area, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of Developer's business under any Franchise Agreement. Developer shall not be entitled to require Franchisor to disclose or grant to Developer a like or similar variation hereunder to that which may be accorded to any other developer.

XIII. APPROVALS

(a) Whenever this Agreement requires Franchisor's prior approval or consent, Developer shall make a timely written request to Franchisor therefor, and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing.

(b) Franchisor makes no warranties or guarantees upon which Developer may rely and assumes no liability or obligation to Developer or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Developer in connection with this Agreement or by reason of any neglect, delay or denial of any request therefor.

XIV. NON-WAIVER

No failure by Franchisor to exercise any power reserved to Franchisor in this Agreement or to insist upon compliance by Developer with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's rights to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor's right in respect to any subsequent default of the same or of a different nature, nor shall any delay, forbearance or omission by Franchisor to exercise any power or right arising out of any breach or default by Developer of any of the terms, provisions or covenants of this Agreement, affect or impair Franchisor's rights, nor shall the same constitute a waiver by Franchisor of any rights hereunder or rights to declare any subsequent breach or default.

XV. SEVERABILITY AND CONSTRUCTION

(a) Each provision of this Agreement shall be deemed severable from the others.

(b) Nothing in this Agreement shall confer upon any person or legal entity other than the parties hereto and such of their respective successors and assigns as may be contemplated by Section IX hereof, any rights or remedies under or by reason of this Agreement.

(c) All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

(d) All references herein to gender and number shall be construed to include such other gender and number as the context may require and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Developer shall be deemed jointly and severally undertaken by all the parties hereto which execute this Agreement on Developer's behalf.

(e) This Agreement may be executed in duplicate and each copy so executed shall be deemed an original.

(f) Nothing contained herein shall be deemed a waiver of any rights Developer may have to rely on information contained in the franchise disclosure document.

XVI. ENTIRE AGREEMENT

This Agreement constitutes the entire, full and complete agreement between the parties hereto concerning the subject matter hereof, and supersedes all prior agreements. However, nothing contained herein shall be deemed a waiver of any rights Developer may have to rely on information contained in the franchise disclosure document. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by themselves or their authorized officers or agents in writing.

XVII. SUPERIORITY OF FRANCHISE AGREEMENT

For each Shawarma Stackz Restaurant developed in the Designated Territory, a separate Franchise Agreement shall be executed and any individual Initial Franchise Fee, as prescribed by Franchisor, shall be paid to Franchisor. It is understood and agreed by Developer that any and all Franchise Agreements executed in connection with the Shawarma Stackz Restaurant(s) within the Designated Territory are independent of this Agreement. The continued existence of any such Franchise Agreement shall not depend on the continuing existence of this Agreement. If any conflict shall arise in connection with this Agreement and any Franchise Agreement executed within the Designated Territory, the latter shall have precedence and superiority over the former.

XVIII. ENFORCEMENT

(a) No right or remedy conferred upon or reserved to Franchisor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

(b) Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause Franchisor, the Marks and/or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions (subject to Franchisor's obligation to arbitrate the underlying claim if required by Section XIX). Developer agrees that Franchisor may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. Developer agrees that Franchisor will not be required to post a bond to obtain injunctive relief and that Developer's only remedy if an injunction is entered against Developer will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

XIX. DISPUTE RESOLUTION

For the purposes of this Section XIX, "Developer" shall be deemed to include its owners, affiliates and its respective employees, and "Franchisor" shall be deemed to include Franchisor, its parent, and its affiliates.

(a) MEDIATION, MANDATORY BINDING ARBITRATION, AND WAIVER OF COURT TRIAL

Developer and Franchisor believe that it is important to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. Developer and Franchisor have agreed that the provisions of this Section XIX support these mutual objectives and, therefore, agree as follows:

(1) **Claim Process**. Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever, including any claim for equitable relief and/or where Developer is acting as a "private attorney general," suing pursuant to a statutory claim or otherwise, between or involving Developer and Franchisor on whatever theory and/or facts based, and whether or not arising out of this Agreement, ("Claim") will be processed in the following manner, Developer and Franchisor each expressly waiving all rights to any court proceeding, except as expressly provided below at Section XIX.(4).

(i) First, discussed in a face-to-face meeting held within thirty (30) days after either Developer or Franchisor give written notice to the other proposing such a meeting.

(ii) Second, if not resolved, submitted to non-binding mediation. Developer and Franchisor will split the costs and each will bear their own expenses of any mediation. Any mediation/arbitration will be conducted by a mediator/arbitrator experienced in franchising. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding. If both Developer and Franchisor do not want to participate in mediation, then they may proceed to arbitration as provided below.

(iii) Third, submitted to and finally resolved by binding arbitration before a single arbitrator in the county where Franchisor's then-current headquarters is located, and in accordance with the arbitration rules of the American Arbitration Association or its successor. On election by any party, arbitration and/or any other remedy allowed by this Agreement may proceed forward at the same time as mediation. Judgment on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction.

(2) **Confidentiality**. The parties to any meeting/mediation/arbitration will sign confidentiality agreements, excepting only public disclosures and filings as are required by law.

(3) **Fees and Costs**. The parties will bear their own fees and costs, including attorneys' fees; provided that for matters not settled through agreement of the parties, the arbitrator may assess all, or any portion, of the fees and costs incurred in connection with any arbitration against the party who does not prevail.

(4) **Disputes Not Subject to the Mediation/Arbitration Process**. Claims or disputes relating primarily to (a) the validity of the Marks and/or any intellectual property licensed to Developer, and (b) injunctive relief for health and safety issues and violations, may be subjected to court proceedings, at Franchisor's sole election; provided that only the portion of any claim or dispute relating primarily to the validity of the Marks and/or any intellectual property licensed to Developer and requesting equitable relief shall be subject to court action, and any portion of such claim seeking monetary damages will be subject to the Claim Process outlined above.

(5) **Intentions of Developer and Franchisor**. Developer and Franchisor mutually agree (and have expressly had a meeting of the minds) that, notwithstanding any contrary provisions of state, federal or other law, and/or any statements in Franchisor's Franchise Disclosure Document required by a state or the Federal government as a condition to registration or for some other purpose:

(i) all issues relating to arbitration and/or the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

(ii) all provisions of this Agreement shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, choice of laws, and shortened periods in which to bring Claims;

(iii) Developer and Franchisor intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms;

(iv) Developer and Franchisor each knowingly waive all rights to a court trial (except as expressly provided in this Agreement), understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, but still strongly preferring mediation and/or arbitration as provided in this Agreement; and

(v) the terms of this Agreement (including but not limited to this Section XIX) shall control with respect to any matters of choice of law. Nothing in this or any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document it furnished to Developer.

(b) VENUE

Without in any way limiting or otherwise affecting the obligations of Developer and Franchisor under Section XIX (a) above, Developer and Franchisor agree that any litigation will be brought in a court of competent jurisdiction in the county where Franchisor's then-current headquarters is located.

(c) TERMS APPLICABLE TO ALL PROCEEDINGS, WAIVER OF TRIAL BY JURY, CERTAIN CLAIMS, AND CLASS ACTION RIGHTS

With respect to any arbitration, litigation or other proceeding of any kind, Developer and Franchisor:

(1) **knowingly waive all rights to trial by jury**; and

(2) **will pursue any proceeding on an individual basis only, and not on a class-wide or multiple plaintiff basis**.

(d) LIMITATIONS ON CLAIMS

Neither party may make claims for emotional distress, whether negligent or intentional, nor punitive damages.

(e) PERIODS IN WHICH TO MAKE CLAIMS

No arbitration, action or suit (whether by way of claim, counter-claim, cross-complaint, raised as an affirmative defense, offset or otherwise) by either Developer or Franchisor will be permitted against the other, whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other Claim of any type, unless such party commences such arbitration proceeding, action or suit before the expiration of the earlier of:

(1) One (1) year after the date on which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or

(2) Eighteen (18) months after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

The above periods may begin to run, and will not be tolled, even though the claiming party was not aware of the legal theories, statutes, regulations, case law or otherwise on which a claim might be based. If any federal, state or provincial law provides for a shorter limitation period than is described in this Section, then such shorter period will govern. The time period for actions for indemnity shall not begin to run until the indemnified party(ies) have been found liable and any time for appeals has run in the underlying action.

(f) SEVERABILITY OF PROVISIONS

Each provision of this Agreement, and any portion of any provision, is severable (including, but not limited to, any provision related to dispute resolution).

(g) CHOICE OF LAWS

Developer and Franchisor agree on the practical business importance of certainty as to the law applicable to their relationship and its possible effect on the development and competitive position of the System. Therefore, Developer and Franchisor also agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the United States Trademark Act and other federal laws and as otherwise expressly provided in this Agreement, this Agreement and all other matters, including, but not limited to respective rights and obligations, concerning Developer and Franchisor, will be governed by, and construed and enforced in accordance with, the laws of California; except that the provisions of any law of that state regarding franchises (including, without limitation, registration, disclosure, and/or relationship laws) shall **not** apply unless that state's jurisdictional, definitional and other requirements are met independently of, and without reference to, this Section XIX.(g). Developer and Franchisor agree that this provision shall be enforced without regard to the laws of California relating to conflicts of laws or choice of law.

XX. "DEVELOPER" DEFINED AND GUARANTY

If two or more persons are at any time parties to this Agreement, whether as partners or joint venturers, their obligations and liabilities to Franchisor will be joint and several. References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Developer (or a transferee of this Agreement or an ownership interest in

Developer), including, without limitation, any person who has a direct or indirect interest in Developer (or a transferee) or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to a "controlling ownership interest" in Developer or one of Developer's owners (if an entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in Developer or one of Developer's owners, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). "Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

XXI. ELECTRONIC MAIL

(a) Developer acknowledges and agrees that exchanging information with Franchisor by e-mail is efficient and desirable for day-to-day communications and that Franchisor and Developer may utilize e-mail for such communications. Developer authorizes the transmission of e-mail by Franchisor and Franchisor's employees, vendors, and affiliates ("Official Senders") to Developer during the term of this Agreement. Developer further agrees that: (a) Official Senders are authorized to send e-mails to those of Developer's employees as Developer may occasionally authorize for the purpose of communicating with Franchisor; (b) Developer will cause Developer's officers, directors and employees to give their consent to Official Senders' transmission of e-mails to them; (c) Developer will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with Developer; and (d) Developer will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the term of this Agreement.

(b) This consent given in this Section shall not apply to the provision of notice by either party under this Agreement pursuant to Section XI unless Franchisor and Developer otherwise agree in a written document manually signed by both parties.

XXII. ACKNOWLEDGMENTS

Developer acknowledges:

(a) That Developer has independently investigated this franchise opportunity and recognizes that, like any other business, the nature of the business a Shawarma Stackz Restaurant conducts may, and probably will, evolve and change over time.

(b) That an investment in a Shawarma Stackz Restaurant involves business risks that could result in the loss of a significant portion or all of Developer's investment.

(c) That Developer's business abilities and efforts are vital to Developer's success and the success of Developer's business.

(d) That Developer has not received from Franchisor, and is not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Shawarma Stackz Restaurant, that any information Developer has acquired from other Developers/Franchisees regarding their sales, profits, or cash flows was not information obtained from Franchisor, and that Franchisor makes no representation about that information's accuracy.

(e) That in all of their dealings with Developer, Franchisor's officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between Developer and them as a result of this Agreement are deemed to be only between Developer and Franchisor.

(f) That Developer has represented to Franchisor, to induce Franchisor's entry into this Agreement, that all statements Developer has made and all materials Developer has given Franchisor are accurate and complete and that Developer has made no misrepresentations or material omissions in obtaining the franchise.

(g) That Developer has read this Agreement and Franchisor's franchise disclosure document and understands and accepts that this Agreement's terms and covenants are reasonably necessary for Franchisor to maintain Franchisor's high standards of quality and service, as well as the uniformity of those standards at each Shawarma Stackz Restaurant, and to protect and preserve the goodwill of the Marks.

(h) That Franchisor has not made any representation, warranty, or other claim regarding this franchise opportunity, other than those made in this Agreement and Franchisor's franchise disclosure document, and that Developer has independently evaluated this opportunity, including by using Developer's business professionals and advisors, and has relied solely upon those evaluations in deciding to enter into this Agreement.

(i) That Developer has been afforded an opportunity to ask any questions Developer has and to review any materials of interest to Developer concerning this franchise opportunity.

(j) That Developer has been afforded an opportunity, and has been encouraged by Franchisor, to have this Agreement and all other agreements and materials Franchisor has given or made available to Developer reviewed by an attorney and has either done so or elected not to do so.

(k) That Developer has a net worth which is sufficient to make the investment in the franchise opportunity represented by this Agreement, and Developer will have sufficient funds to meet all of Developer's obligations under this Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in duplicate on the day and year first above written.

SHAWARMA STACKZ LLC
a California limited liability company

By:___________________________________

Print Name: ___________________________

Title:_________________________________

DATED:______________________________

DEVELOPER

(IF DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
[Name]

By:___________________________________

Title:_________________________________

DATED:______________________________

(IF DEVELOPER IS AN INDIVIDUAL AND NOT A LEGAL ENTITY):

____
[Signature]

____
[Print Name]

____
[Signature]

____
[Print Name]

DATED:______________________________

EXHIBIT A TO THE AREA DEVELOPMENT AGREEMENT

DESCRIPTION OF DESIGNATED TERRITORY

____

____

____

____

____

SHAWARMA STACKZ LLC
a California limited liability company

By:_________________________________

Print Name: _________________________

Title:_______________________________

DATED:____________________________

DEVELOPER

(IF DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
[Name]

By:_______________________________

Title:_____________________________

DATED:___________________________

(IF DEVELOPER IS AN INDIVIDUAL AND NOT A LEGAL ENTITY):

____
[Signature]

____
[Print Name]

____
[Signature]

____
[Print Name]

EXHIBIT B TO AREA DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

At the dates set forth below, Developer is obligated by Section IV of the Area Development Agreement to have open and in operation the number of Shawarma Stackz Restaurants as indicated below:

Development Period	Date Development Period Commences	Date Development Period Ends	Cumulative Number of Restaurants to be Open and in Operation
First	____________, 20__	____________, 20__	___________________
Second	____________, 20__	____________, 20__	___________________
Third	____________, 20__	____________, 20__	___________________
Fourth	____________, 20__	____________, 20__	___________________

FRANCHISOR

SHAWARMA STACKZ LLC
a California limited liability company

By:________________________________

Print Name: _______________________

Title:_______________________________

DATED:___________________________

DEVELOPER

(IF DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
[Name]

By:____________________________________

Title:__________________________________

DATED:________________________________

(IF DEVELOPER IS AN INDIVIDUAL AND NOT A LEGAL ENTITY):

____
[Signature]

____
[Print Name]

____
[Signature]

____
[Print Name]

DATED:________________________________

EXHIBIT C TO THE AREA DEVELOPMENT AGREEMENT

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT

For value received, and in consideration for, and as an inducement to Shawarma Stackz LLC ("Franchisor") to execute the Shawarma Stackz Area Development Agreement (the "Area Development Agreement"), of even date herewith, by and between Franchisor and ____________________________ or his assignee, if a partnership, corporation or limited liability company is later formed ("Developer"), _____________________________________ ("Guarantor(s)"), jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns the full and timely performance by Developer of each obligation undertaken by Developer under the terms of the Area Development Agreement, including all of Developer's monetary obligations arising under or by virtue of the Area Development Agreement.

Upon demand by Franchisor, Guarantor(s) will immediately make each payment required of Developer under the Area Development Agreement. Guarantor(s) hereby waives any right to require Franchisor to: (a) proceed against Developer for any payment required under the Area Development Agreement; (b) proceed against or exhaust any security from Developer; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Developer. Without affecting the obligations of Guarantor(s) under this Guarantee, Indemnification and Acknowledgment, Franchisor may, without notice to Guarantor(s), extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust or compromise any claims against Developer.

Guarantor(s) waives notice of amendment of the Area Development Agreement and notice of demand for payment by Developer and agrees to be bound by any and all such amendments and changes to the Area Development Agreement.

Guarantor(s) hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorney's fees, reasonable costs of investigations, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Developer to perform any obligation of Developer under the Area Development Agreement, any amendment, or any other agreement executed by Developer referred to therein.

Guarantor(s) hereby acknowledges and agrees to be individually bound by all covenants contained in the Area Development Agreement and all terms and conditions of the Area Development Agreement requiring Developer not to disclose confidential information.

This Guarantee shall terminate upon the expiration or termination of the Area Development Agreement, except that all obligations and liabilities of Guarantor(s) that arise from events that occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by Guarantor(s), and all covenants that by their terms continue in force after termination or expiration of the Area Development Agreement shall remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor will be bound by this Guarantee, but only for defaults and obligations existing at the time of death, and the obligations of the other Guarantor(s) will continue in full force and effect.

The validity of this Guarantee and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced to take against Developer, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the Area Development Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guarantee, unless otherwise defined herein, shall have the same meaning as when used in the Area Development Agreement.

This Guarantee is to be performed in San Diego, California, and shall be governed by and construed in accordance with the laws of the State of California. Guarantor(s) specifically agrees that the state and federal courts situated in San Diego, California, shall have exclusive jurisdiction over Guarantor(s) and this Guarantee, and further agrees that any action relating to this Guarantee may be brought solely in either the San Diego, California Superior court or the United States District Court for the Southern District of California. In connection therewith, each of the undersigned hereby appoints the Secretary of State for the State of California as his agent for service of process to receive summons issued by the court in connection with any such litigation. Notwithstanding the foregoing, Franchisor and Guarantor(s) agree that any dispute under this Guarantee shall be resolved by arbitration pursuant to Article 16 of the Area Development Agreement (except as otherwise provided in Article 16 of the Area Development Agreement).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Area Development Agreement.

GUARANTOR

By: ______________________________

Print Name: ______________________

SS #: _____________________

DOB: _____________________

Driver's License No. _____________________

GUARANTOR

By: ______________________________

Print Name: ______________________

SS #: _____________________

DOB: _____________________

Driver's License No: _____________________

The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty.

____
Name of Guarantor

____
Name of Guarantor's Spouse

____
Signature of Guarantor's Spouse

____
Name of Guarantor

____
Name of Guarantor's Spouse

____
Signature of Guarantor's Spouse

EXHIBIT K
TO FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

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

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

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

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 L
TO FRANCHISE DISCLOSURE DOCUMENT

RECEIPT

ITEM 23 RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Shawarma Stackz LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Oklahoma require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement, or other agreement, or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise agreement, or other agreement, or the payment of any consideration, whichever comes first.

If Shawarma Stackz LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency identified on Exhibit A.

The franchisor is Shawarma Stackz LLC, located at 9119 Clairemont Mesa Blvd, Suite G, San Diego, California 92123. The names, principal business addresses and telephone numbers of each Franchise Seller offering the Franchise are: Osama Shabaik and Mahmoud Barkawi, at 9119 Clairemont Mesa Blvd, Suite G, San Diego, California 92123 / Osama (858) 208-8407 and Mahmoud (858) 431-6003.

Issuance Date: April 14, 2022. Shawarma Stackz LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a Disclosure Document dated April 14, 2022. This Disclosure Document included the following Exhibits:

EXHIBIT A	LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
EXHIBIT B	FRANCHISE AGREEMENT AND EXHIBITS
EXHIBIT C	FINANCIAL STATEMENTS
EXHIBIT D	STATEMENT OF PROSPECTIVE FRANCHISEE
EXHIBIT E	TABLE OF CONTENTS OF THE OPERATIONS MANUAL
EXHIBIT F	FORM OF GENERAL RELEASE
EXHIBIT G	STATE-SPECIFIC ADDENDA
EXHIBIT H	LIST OF FRANCHISEES AND THEIR OUTLETS
EXHIBIT I	LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT
EXHIBIT J	AREA DEVELOPMENT AGREEMENT
EXHIBIT K	STATE EFFECTIVE DATES
EXHIBIT L	RECEIPTS

____________________________ ____________________________

(Print Name) (Signature)

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Date

Keep this copy for your records.

ITEM 23 RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Shawarma Stackz LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Oklahoma require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement, or other agreement, or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise agreement, or other agreement, or the payment of any consideration, whichever comes first.

If Shawarma Stackz LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency identified on Exhibit A.

The franchisor is Shawarma Stackz LLC, located at 9119 Clairemont Mesa Blvd, Suite G, San Diego, California 92123. The names, principal business addresses and telephone numbers of each Franchise Seller offering the Franchise are: Osama Shabaik and Mahmoud Barkawi, at 9119 Clairemont Mesa Blvd, Suite G, San Diego, California 92123 / Osama (858) 208-8407 and Mahmoud (858) 431-6003.

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EXHIBIT K	STATE EFFECTIVE DATES
EXHIBIT L	RECEIPTS

____________________________ ____________________________
(Print Name) (Signature)

____
Date

Please sign this copy of the receipt, date your signature, and return it to: Osama Shabaik, at Shawarma Stackz LLC, 9119 Clairemont Mesa Blvd, Suite G, San Diego, California 92123.