

FRANCHISE DISCLOSURE DOCUMENT

BOUSTAN FRANCHISE USA CORP.

A Delaware Corporation

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Qc, H4T 1S3, Canada

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A Boustan franchisee will operate a Boustan Restaurant, which are quick serve restaurant businesses specializing in the offer and sale of Mediterranean cuisine (including shawarma chicken, shawarma beef and falafel, in the form of plates, pitas and trios) and related programs, products and services.

The total investment necessary to begin operation of a Boustan franchise is from \$578,750 to \$936,500 (not including real property), including \$51,000 that must be paid to the franchisor or its affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to 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 Emad Saad at 1-833-268-7826 or emad@boustan.ca.

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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
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 B 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 Boustan franchise 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 Boustan franchisee?	Item 20 lists 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 C.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by litigation only in the state or federal court of general jurisdiction located in the country, state, county and judicial district in which our principal place of business is located when the action is commenced. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in the state, county and judicial district in which the franchisor's principal place of business is then located than in your own state.
2. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

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Exhibits

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

The Franchisor

To simplify the language in this disclosure document, “we” or “us” means Boustan Franchise USA Corp., the franchisor. We are a Delaware corporation formed in July, 2019. We conduct business under our corporate name and under the name “Boustan” and “Boustan Franchise USA Corp.” Our principal business address is 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada and our telephone number is 1-833-268-7826. The Boustan brand started in 1986 as a single restaurant. Through a series of transactions in 2017, our parents and affiliates acquired the then-existing Boustan trademarks and 5 then-existing Boustan restaurants from various owners. We began offering and selling franchises for this type of business as of October, 2020. We have not conducted business in any other line of business. We have not conducted a business of the type you will operate, but our affiliates have in Canada (see below). Our agents for service of process in the states whose franchise laws require us to name a state agency as agent for service are shown on Exhibit D.

“You” or “your” means the franchisee that buys a franchise to operate a Boustan Restaurant (defined below). If the franchisee will operate through a corporation, limited liability company, partnership or other business entity, “you” or “your” also includes the franchisee’s owners or partners.

Our Predecessors, Parents and Affiliates

We have no predecessors.

Our ultimate parent company is 9403-1721 Quebec Inc., a privately held corporation and was incorporated under the Canada Business Corporations Act in August 2019, in the Judicial District of Montreal, Province of Quebec. Our ultimate parent’s principal business address is 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada.

Our direct parent company is Boustan USA Holding Corp., a Delaware corporation formed on June 28, 2024. Our direct parent’s principal business address is 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada.

Our affiliate, Boustan Franchises Ltd. (“Boustan Ltd.”), offers and sells franchises across Canada (except for the Province of Quebec). Boustan Ltd. is a privately held corporation and was incorporated under the Canada Business Corporations Act on February 15, 2019, in the Judicial District of Montreal, Province of Quebec. Boustan Ltd.’s principal business address is 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada. As of May 31, 2024, Boustan Ltd. had 6 franchised outlets open and operating across Canada (except for the Province of Quebec).

Our affiliate, 9328-1301 Quebec Inc. (“Quebec Inc.”) offers and sells franchises in the Canadian Province of Quebec. Quebec Inc. is a privately held corporation and was incorporated under the Canada Business Corporations Act on September 1, 2015, in the Judicial District of Montreal, Province of Quebec. Quebec Inc.’s principal business address is 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada. As of May 31, 2024, Quebec Inc. had 59 franchised outlets and 1 affiliate-owned outlet open and operating in Quebec.

In a cross-license agreement dated November 1, 2019, our affiliate, 10021024 Canada Inc., licensed us the right to use the System (defined below), Proprietary Marks (defined below) and other intellectual property used in operating Boustan Restaurants in the United States and to sublicense them to our franchisees in the United States. 10021024 Canada Inc. is a privately held corporation and was incorporated under the Canada Business Corporations Act on December 13, 2016, in the Judicial District of Montreal, Province of Quebec. 10021024 Canada Inc.’s principal business address is 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada.

Except as described above, neither we nor our affiliates have previously offered and sold franchises for this or any other type of business.

Boustan Restaurants

We and/or our affiliates have developed a proprietary system (the “System”) for opening and operating Boustan restaurants businesses (each, a “Boustan Restaurant”), which are quick serve restaurant businesses specializing in the offer and sale of Mediterranean cuisine (including shawarma chicken, shawarma beef and falafel, in the form of plates, pitas and trios) and related programs, products and services. The System makes use of the trademark, service mark and fictitious business name “Boustan” and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (collectively, the “Proprietary Marks”).

Boustan Franchises

This Disclosure Document offers franchises for the right to operate single unit Boustan Restaurants. See Exhibit A. Under separate Disclosure Documents, we also offer: (i) master franchises for the development of Boustan Restaurants, and (ii) area representative franchises for the solicitation of prospective Boustan Restaurant franchisees and for the support of Boustan Restaurants. However, for the avoidance of doubt, master franchise rights and area representative franchise rights are not offered under this Disclosure Document.

Market Competition

The quick serve Mediterranean restaurant market is highly competitive, generally mature and well developed. You will compete with national, regional and local restaurants including company-owned and franchised chains as well as independently owned restaurants. You may also compete with other Boustan Restaurants owned by us, our affiliates or other franchisees. We do not believe that the quick serve Mediterranean restaurant market is seasonal.

Rules and Regulations

You must comply with all local, state and federal laws and regulations applicable to the operation of your Boustan Restaurant, including health, sanitation, food and beverage handling, food preparation, waste disposal, smoking restrictions and advertising and point-of-sale disclosures (such as statements concerning the nutritional and dietary characteristics of the food served at your Boustan Restaurant). There are other laws and regulations applicable to businesses generally (such as the Americans with Disabilities Act) with which you must comply.

ITEM 2 BUSINESS EXPERIENCE

Emad Saad: President, Vice President, Secretary and Treasurer

Mr. Saad has served as our President, Vice President, Secretary and Treasurer since our inception. Mr. Saad has also served as the Vice President and Director of Boustan Ltd. since February, 2019 and Vice President and Director of Quebec, Inc. since April, 2017. Mr. Saad also currently owns one franchised Subway restaurant which he has owned since May 2011. At all times during his above employment, Mr. Saad has been based in Quebec, Canada.

Joshua Munguia: Operations Director

Mr. Munguia has served as our Operations Director since November, 2023 and as the District Manager for Boustan Ltd. and Quebec, Inc. since January, 2021, in Montreal Canada. Previously, Mr. Munguia was an Area Operations Manager for Five Guys in Montreal, Qc from May, 2016 to November, 2021.

Fady Soliman: Franchise Development Project Manager

Mr. Soliman has served as our Franchise Development Project Manager since October 2020. Mr. Soliman was the Co-Founder of SKLS Consulting Group in London, UK from November 2020 to June 2021; Head of Global Franchising Program for Engineeius Montreal in Montreal, Canada from July 2019 to September 2020; Director of Field Sales, EMEA Region, for Dale Carnegie and Associates (Franchisor) in New York, New York from October 2017 to April 2019; and General Manager of Training for Infinity for Management and Consulting Services (a Dale Carnegie Franchisee in Egypt) from November 2013 to January 2018. For the

majority of his positions, Mr. Soliman was based in Montreal, Canada and Egypt.

ITEM 3 LITIGATION

There is no litigation that must be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Application Fee

You must pay to us an application fee equal to \$10,000 (the “Application Fee”) together with submitting your franchise application to us. The Application Fee will be fully earned when paid and non-refundable except in the following circumstances: (i) we will refund 50% of the Application Fee if you provide us with written notice within 7 calendar days from the date you submit the franchise application that you no longer wish to purchase a Boustan franchise or (ii) we will refund 100% of the Application Fee if we reject your franchise application at any time. If you fail to withdraw your application by this 7 calendar day deadline, you will not be entitled to any refund. If we approve your franchise application and you are granted the right to acquire a Boustan franchise, the Application Fee you paid will be applied against the Initial Franchise Fee you will be required to pay upon execution of the Franchise Agreement.

Initial Franchise Fee

The Initial Franchise Fee is \$40,000. The Initial Franchise Fee is due in lump sum when you sign the Franchise Agreement. For the first franchise you acquire (but not subsequent franchises, if any), you will receive a credit of \$10,000 (representing your payment of the Application Fee) against the Initial Franchise Fee due. We will not refund any portion of the Initial Franchise Fee except under the following circumstance if: (i) you (if an individual), your Operating Principal or Restaurant Manager fail to complete the Initial Training Program to our satisfaction, we will refund the Initial Franchise Fee except for \$5,000 which we shall keep and shall be fully earned and non-refundable, or (ii) you fail to secure and sign an approved lease by the deadline set forth in the Franchise Agreement, we will refund the Initial Franchise Fee except for \$10,000 which we shall keep and shall be fully earned and non-refundable. In order to receive the refund, you must sign a General Release in the form of Exhibit E to this Disclosure Document. Except as described above, the Initial Franchise Fee is not refundable and is fully earned when paid. As of our May 31, 2024 fiscal year end, our Initial Franchise Fee was currently uniformly imposed, but we reserve the right to negotiate this amount and and/or offer incentives in the future as we determine in our sole discretion.

Uniforms

You must purchase an initial inventory of Restaurant uniforms from us or our affiliates, which we estimate will cost approximately \$1,000. This amount will be fully earned when paid and not refundable for any reason.

Opening Advertising Campaign

Upon signing the Franchise Agreement, you must pay us \$10,000, representing the budget that will be used to execute the Opening Advertising Campaign. You and we will work together to create an Opening Advertising Campaign, which will set forth your advertising and promotional obligations during the period immediately prior to and after the opening of your Boustan Restaurant. We will then either manage this Opening Advertising Campaign on your behalf or, in our sole judgement, require you to fulfil your obligations directly thereunder.

This amount is not refundable for any reason, except if we refund the Initial Franchise Fee, in which case we will refund this amount in its entirety.

Except as disclosed in this Item 5, you pay us or our affiliates no other fees or payments for services or goods before your Boustan Restaurant opens.

**ITEM 6
OTHER FEES**

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Royalty	5% of Gross Revenues.	Payable weekly by Electronic Funds Transfer.	"Gross Revenues," means all revenues and income from any source that you directly or indirectly derive or receive from, through, by or on account of the operation of your Boustan Restaurant, whether received in cash, in services, in kind, from barter and/or exchange (valued at the full retail value of the goods or services received), on credit (whether or not you ultimately receive payment on credit transactions), or otherwise, including proceeds of any business interruption insurance policies and/or the sale of any promotional or premium items. Royalty percentage will not change during term of Franchise Agreement.
Worldwide System Brand Fund Contribution	When Worldwide System Brand Fund is established, 2% of Gross Revenues.	Same as Royalty	We may form a Worldwide System Brand Fund and if we do you must contribute. Contribution percentage will not change during term of Franchise Agreement.
Technology Fee	Up to \$500.	Same as Royalty	We may impose a Technology Fee at any time upon notice, and if we do, such fee will be in an amount not to exceed \$500 per month. See Note 1.
Opening Advertising Campaign	\$10,000.	As incurred.	Upon signing the Master Franchise Agreement, you must pay us \$10,000, representing the budget that will be used to execute the Opening Advertising Campaign. You and we will work together to create an Opening Advertising Campaign, which will set forth your advertising and promotional obligations during the period immediately prior to and after the opening of your Boustan Restaurant. We will then either manage this Opening Advertising Campaign on your behalf or, in our sole judgement, require you to fulfil your obligations directly thereunder.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Required Minimum Local Advertising Expenditure	Beginning after your obligations under the Market Introduction Program have been satisfied, 1% of Gross Revenues.	Weekly.	Required expenditure percentage will not change during term of Franchise Agreement.
Regional Advertising Cooperative Contribution	If a Regional Advertising Cooperative is formed: Minimum – 1% of Gross Revenues. Maximum – 2% of Gross Revenues.	Established by Regional Advertising Cooperative.	We may form a Regional Advertising Cooperative for your area. See Note 2.
Proprietary and Trademarked Products	See Note 3.	When you place orders for products.	You must purchase proprietary and trademarked products (including, without limitation, food and beverage items and uniforms) from us, our affiliate or designee. See Item 8.
Testing fee	You must reimburse us for all actual costs and expenses incurred by us in reviewing or approving a product or supplier proposed by you, including any travel and lodging expenses we incur.	As incurred.	You must pay our expenses to test the products or services of any product or supplier you propose. See Item 8.
Initial Training	All living and transportation expenses of all your trainees. The amounts are unknown and may vary depending upon factors such as the third-party supplier selected and your distance from training. Additional and subsequent trainee charge: \$1,500 per person per week. See Remarks.	Expenses as incurred; fee for additional or subsequent trainees due before beginning of training.	While the cost of the Initial Training Program is included for two individuals, you must pay all living and transportation expenses for the attendees. If additional individuals attend the Initial Training Program, you will have to pay the per person charge for such individual. Also, all subsequently appointed personnel we designate must also successfully complete the Initial Training Program.
On-Site Training and Visits	\$1,500 per week per personnel member plus all living and transportation expenses of our personnel.	As incurred.	Beyond the up to 7-day on-site opening and assistance that we provide to you at no charge, you can request on-site training and/or visits at any time. The Franchise Agreement does not require us to provide it.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
On-Going Training	Our then-current fees, not to exceed \$10,000 per event, plus your expenses.	As incurred.	We may from time to time develop additional training programs which you (if an individual) and the personnel we designate must attend and successfully complete. If we do, you must pay our then-current training fee plus pay all living and transportation expenses of your trainees.
Conferences, Regional Meetings and Conventions	Our then-current fees, not to exceed \$10,000 per event, plus your expenses.	As incurred.	We may from time to time establish conferences, regional meetings and/or conventions which you and your personnel that we designate must attend. If we do, you must pay our then-current training fee plus pay all living and transportation expenses of your trainees.
Taxes	Varies, reimbursement of our actual costs.	Promptly when due.	You must reimburse us for any federal, state or local taxes imposed on us as a result of our receipt or accrual of the Initial Franchise Fee, Royalty, Worldwide System Brand Fund Contributions, or other fees we collect under the terms of the Franchise Agreement or due to goods and services we furnish to you.
Advances	Varies, reimbursement of our actual costs.	As incurred.	You must pay us all amounts we advance to third parties for you.
Insurance	Varies, reimbursement of our actual costs.	As insurance carrier requires.	Insurance company sets the premiums and you pay the insurance company, except that if you fail to pay premiums for required insurance, we may pay premiums and charge you for them. Premiums may vary depending upon factors such as the insurance company selected and your claims experience. See Note 4.
Audit Expenses	Varies, reimbursement of our actual costs, plus interest. See Note 5.	As incurred.	The amount of the audit expenses is unknown and may vary depending upon factors such as the auditor selected. See Note 5.
Late Charges	Maximum law allows, or if no legal maximum, 1.5% per month.	As incurred.	Begins to accrue on the date the past due amount was due and continues to accrue until the past due amount is paid in full.
Renewal Agreement Fee	20% of our then-current Initial Franchise Fee.	Before we sign renewal agreement.	See Item 17.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Transfer Fee	50% of our then-current initial franchise fee, plus costs. See Remarks.	Before we approve the transfer.	You will also be required to reimburse us for any reasonable costs incurred in connection with your request (including all legal, administrative, investigation, and analysis costs and other expenses we may incur in reviewing, approving and memorializing the transfer). See Item 17.
Relocation	\$5,000 or any greater amount necessary to reimburse us for any reasonable costs we incur in considering your request.	As incurred.	See Item 12.
Management Fee on Death or Disability	Greater of (a) two times the salary paid to individual(s) we assign to operate the Boustan Restaurant, or (b) 10% of the Boustan Restaurant's weekly Gross Revenue.	See Remarks.	From your death or disability or the death or disability of your last surviving owner (if you are a business entity), until a new Operating Principal and Restaurant Manager assumes control, we may operate the Boustan Restaurant, but will have no obligation to do so. If we do, then we will deduct our expenses from the Boustan Restaurant's Gross Revenues and pay ourselves the management fee shown in column 2. Management fee will be in addition to Royalties due us. We will remit any remaining funds to your Estate. Estate must pay us any deficiency in sums due us under Franchise Agreement within 10 days of our notifying Estate of deficiency. See Item 17.
Indemnification of Us	Varies. The losses and expenses incurred by us, reimbursement of our actual costs.	As incurred.	You indemnify us from certain losses and expenses. See Section 8.13 of the Franchise Agreement.
Application of Funds			We can apply your payments to the oldest obligation due.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Liquidated Damages Upon Termination	The present value of the Royalties and Worldwide System Brand Fund Contributions due for the remaining term of the Franchise Agreement, based on the Royalties and Worldwide System Brand Fund Contributions you paid to us during the most recently concluded 12 month period. If the Boustan Restaurant has not been open for a full 12 months, you will pay based on annualized sales.	As incurred.	If the Franchise Agreement is terminated due to your default or abandonment, you must pay us liquidated damages based on the formula set forth in column 2.
Liquidated Damages for Breach	\$250 per day during duration of default, multiplied by the number of defaults; \$250,000 per default for violations of Confidentiality, Covenant not to Compete, Proprietary Marks and/or Assignment.	As incurred.	
Franchisee Public Offering	\$10,000 or any greater amount necessary to reimburse us and/or our advisors for any reasonable costs we incur in considering your request.	Before we approve the transfer.	
Bank Fees	If, when we debit your bank account for the Royalty, Technology Fee or Worldwide System Brand Fund Contributions, you have insufficient funds in your bank account, you will have to pay the actual bank fees charged by your bank plus pay us a fee of \$45.	As incurred.	

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Attorneys' and Experts' Fees, Court Costs	Reimbursement of our actual costs. The amount of these fees and costs are unknown and may vary depending upon factors such as the attorneys and experts selected and the court costs.	As incurred.	See Note 6.

Notes

Unless otherwise stated, all fees on the table above are nonrefundable and the fee or its formula is uniformly imposed.

[1] We reserve the right to require you to purchase and use any technology systems and software from us or our designees, at our then-current price, pay our then-current fees associated therewith (including for help and support services) and sign our then-current standard form software license agreement at any time upon notice. You will also be required to pay for any future updates or revisions to any proprietary software we develop. We do not know the cost of any future updates or revisions at this time. You must buy new or upgraded programs and materials from us if we adopt them system-wide, at the prices we set. You will pay for new or updated programs and materials when you order them.

[2] Boustan Restaurants that are owned and operated by us or an affiliate of ours and are within the geographic area of a Regional Advertising Cooperative will participate in and contribute to the Regional Advertising Cooperative on the same basis as required of franchisee members of the Regional Advertising Cooperative and will have the same voting power, including with respect to fees imposed by the Regional Advertising Cooperative (subject to Franchisor's ultimate sole right to dissolve a Regional Advertising Cooperative).

[3] You must buy proprietary products (such as food and beverage products utilized in and sold at your Boustan Restaurant) and trademarked products (such as uniforms) from us, our affiliate or designee. We (or our affiliates or designees) will sell you proprietary and trademarked products, equipment or services under terms we develop and advise you of periodically. We may earn a profit on the sale of proprietary and trademarked products to you.

[4] The following is the minimum insurance coverage required for each Boustan Restaurant, which must be purchased from a carrier that is A.M. Best Rated at A+ or higher: (1) Broad form comprehensive general liability coverage of at least \$5,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, property damage and product liability. This insurance may not have a deductible or self-insured retention of over \$5,000. (2) Full insurance of liability for services and product liability protecting the insured against the financial consequences of any liability they may incur in any way whatsoever because of the provision, delivery, sale and/or lease of any service and/or product and/or good. The limit of liability subject to such insurance shall not be less than \$2,000,000 per occurrence. (3) "All Risk" coverage (including fire, explosion or any other loss or disaster, including vandalism and/or any other voluntary act, and extended coverage insurance on your Boustan Restaurant and property in an amount adequate to fully replace them in case of an insured loss. (4) Business interruption insurance in sufficient amounts to cover your Boustan Restaurant rental expenses, maintenance of competent personnel and other fixed expenses for the greater of (a) a minimum of 120 days or (b) a minimum monthly amount equivalent to the monthly average of the Gross Revenue made during the course of the prior twelve (12) month period. This insurance policy must specify that protection is provided even in the event of damage caused by fire and those

risks mentioned in the additional coverage rider including vandalism and malicious damage. (5) Workers' compensation, employer's liability and any other employee insurance required by any applicable federal, state or local law, rule or regulation (but in no event less than \$1,000,000 for employer's liability insurance). (6) In connection with the construction, refurbishment, renovation or remodeling of your franchised Boustan Restaurant, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us. (7) Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under your Franchise Agreement. (8) Others as determined by your legal counsel and risk management advisor. If you do not purchase the required insurance, we may obtain the insurance for you. We have no duty to do so. If we obtain insurance for you, you must pay the premiums to the insurance company or reimburse us for them. We can change the required coverages and amounts. We shall be allowed to appoint our own selected legal counsel to represent us for any action indemnified by your insurance.

[5] If we audit your Boustan Restaurant and you understated the Gross Revenues by greater than 2% but less than 5% for any month or for the entire period, then you must immediately pay us the cost of the audit and the additional amounts owing, plus interest at the highest legal rate or, if there is no maximum legal rate, then 1.5%. If you understated your Gross Revenues by 2% or more, three times within any 36 month period or 5% or more during any reporting period, we can terminate the Franchise Agreement and you must pay the amount due, plus interest and the cost of the audit. If you understated your Gross Revenues by less than 2% percent for any month or for the entire period, you must immediately pay us the amount due, plus interest, but we will pay the cost of the audit. The percentages described in this footnote are fixed and will not change during the term of the Franchise Agreement.

[6] In certain circumstances, as specifically enumerated in the Franchise Agreement, you will be required to pay reimburse us for our reasonable attorneys' fees, experts' fees, court costs and all other expenses incurred in connection with any action instituted to secure or protect our rights under the Franchise Agreement, to enforce the terms of the Franchise Agreement, or in any action against us begun or joined in by you. If we become a party to any proceeding brought against us by a third party relating to the Franchise Agreement or your Boustan Restaurant as a result of any act or omission of yours or the Boustan Restaurant's, or if we become a party to any litigation or insolvency proceeding involving you under any bankruptcy or insolvency code, then you must pay us our reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur. If we terminate the Franchise Agreement for your default, or if you terminate the Agreement through non-payment (See Item 17, section d.), in addition to liquidated damages, you must pay us all our expenses from your default or termination, including reasonable attorneys' and experts' fees.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT*
Franchise Agreement

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Initial Franchise Fee	\$40,000 See Note 1	Lump sum	At signing of Franchise Agreement	Us

* Unless otherwise stated, none of the expenses on this chart is fully refundable.

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Real Property	See Note 2			
Construction and Leasehold Improvements	\$350,000 - \$500,000 Note 3	As incurred	Before opening	Suppliers
Equipment, Furniture and Fixtures	\$90,000 - \$175,000 Note 4	As incurred	Before opening	Suppliers
Signs	\$4,000- \$12,500 Note 5	As incurred	Before opening	Suppliers
Legal and Accounting Fees	\$5,000 - \$20,000 Note 6	As incurred	Before opening	Suppliers
Opening Inventory and Supplies	\$8,000 - \$25,000 Note 7	As incurred	Before opening	Suppliers
Computer Hardware and Software	\$6,000 - \$10,000 Note 8	As incurred	Before opening	Suppliers
Training and Pre-Opening Expenses	\$10,000 - \$30,000 Note 9	As airlines, hotels, restaurants, etc. require	As airlines, hotels, restaurants, etc. require	Airlines, hotels, restaurants, etc.
Opening Advertising Campaign	\$10,000 Note 10	As incurred	As incurred	Us or Suppliers
Insurance	\$6,000 - \$12,000 Note 11	As incurred	Before opening	Suppliers
Uniforms	\$1,000	As incurred	Before opening	Us or our affiliates
Licenses and Permits	\$500 - \$12,500 Note 13	As agency requires	As agencies require	Agency
Lease and Security Deposit	\$16,000 - \$20,000 Notes 2 and 12	As incurred	Before opening	Suppliers
Other Deposits (phone, internet, etc.)	\$2,000 - \$6,000 Note 13	As incurred	Before opening	Suppliers
Initial Financing Costs	\$250 - \$2,500	As incurred	Before opening	Suppliers
Miscellaneous Expenses	\$5,000- \$10,000 Note 14	As incurred	Before opening	Suppliers

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Additional funds (initial period – 3 months)	\$25,000 - \$50,000 See Note 15	As expenses occur	Payroll weekly, other purchases according to agreed-on terms	Employees/Suppliers
TOTAL \$578,750 to \$936,500 (Note 16) (excluding real property)				

Notes

[1] See Item 5 for the circumstances in which the Initial Franchise Fee is partially refundable. None of the other fees shown on this table are refundable unless a supplier has a refund policy of which we are not aware.

[2] If you do not already have an acceptable space for your Boustan Restaurant, you will have to lease approximately 1,700 square feet in a high traffic, high visibility area. Since real estate values vary dramatically from region to region, we cannot accurately estimate your rent, but monthly rental costs range from approximately \$8,000 to \$10,000 or more per month for Restaurant Locations in New Jersey. Locations are usually at a strip shopping center, and may be downtown, or in urban or suburban areas. To estimate the rental expense for your Boustan Restaurant, apply the above square footage requirements to the local real estate rental costs for suitable buildings in the area where your Boustan Restaurant will be located. We will provide you with assistance in identifying and approving the site that you will select for your first Boustan Restaurant. You will reimburse us for our reasonable expenses incurred in connection with any our site selection or approval support including a fee of \$1,500 per additional visit, together with travel, lodging, transportation, food and personnel costs incurred for any such visits. We anticipate that you will lease rather than build; therefore, we have not included any costs for land, building construction or related costs in our estimates. Your lease deposit will vary depending on the space where you will open your Boustan Restaurant. The lease deposit estimate is based on an estimate of 2 months' rent as a deposit, although there are significant differences in the costs of rent depending on the rental costs in the particular market and space in which you are located and certain landlords may require additional deposits.

[3] The cost of construction or leasehold improvements will vary depending on the initial condition of the space, your construction and renovation costs and any tenant improvement allowance you may receive from your landlord. This estimated range of costs for leasehold improvements is based upon our expectation that you will receive the space from your landlord in good condition and delivered for use as is. We will provide you with a sample layout and specifications for the interior of a typical Boustan Restaurant. Except for modifications that we require, you may not modify the design or plans of your Boustan Restaurant at any time without our advance written permission. You must employ architects, designers, engineers or others as necessary to complete, adapt, modify or substitute the layout, plans and specifications for the Boustan Restaurant, including any changes required by the landlord. Typically, you and the contractor you employ will negotiate a payment schedule. Generally, the landlord provides the space with demolition completed, exterior walls drywalled; an acoustical drop ceiling; working HVAC; and plumbing and electrical service to the space, or an equivalent amount of free rent to offset these costs. The contractor will install the leasehold improvements. These estimates do not include architectural or engineering fees that may be required in some markets or other professional fees, including but not limited to the fees for project managers, general contractors and licensed tradesman who are contracted to install electrical, plumbing and HVAC.

[4] We provide a set of typical preliminary plans and specifications for furniture, fixtures, equipment and/or décor for your Boustan Restaurant. Except for modifications that we require, you may not modify the furniture, fixtures, equipment and/or décor of your Boustan Restaurant at any time without our advance written permission. You will purchase your furniture, fixtures and equipment from suppliers we have approved, which may include us or our affiliates. The type and number of pieces of furniture and fixtures you require will be based, on the size of the space you select for your Boustan Restaurant.

[5] You will need to purchase signs for your Boustan Restaurant. All signage must be in compliance with our standards and specifications and your local building and other codes. The costs of the signs will depend on location, type and size of sign.

[6] We recommend strongly that you engage the services of professionals to assist you in evaluating our franchise and to help you establish your Boustan Restaurant. This will include attorneys and accountants. Actual cost depends on the work done by your attorneys and accountants and their rates.

[7] Before opening your Boustan Restaurant, you must purchase an initial inventory of products and supplies from designated or approved suppliers, which may include us or our affiliates. Initial inventory consists of various food products, beverages, paper products, smallwares, cleaning supplies and other supplies utilized in the operation of the Boustan Restaurant as well as other required merchandise, products and trademarked products. The initial inventory expenditure will vary according to anticipated sales volume and current market prices.

[8] You must purchase the required computer hardware, software, internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment (the "Computer and POS System"). You must obtain high-speed communications access for your Computer and POS System. The type and number of computers and other hardware, software, cameras and telecommunications equipment may vary depending on your Boustan Restaurant and may change from time to time. We will specify the computer hardware, software and telecommunications equipment in the Confidential Operating Manual (the "Manual"). You must also maintain and use the e-mail address with which we provide you in connection with your Boustan Restaurant operations. See Item 11.

[9] We will provide the Initial Training Program for up to two people for no additional fee. You, however, must pay the salaries and living and transportation expenses for all of your trainees. The Initial Training Program may be held at our headquarters in City of St-Laurent, Province of Quebec, Canada, a company-owned and/or franchised Boustan Restaurant in Canada or at another location we choose (which may be in the United States or in Canada). We have estimated a cost for travel, hotel, meals and local transportation for you and your staff during training. These costs vary greatly based on the time of year you travel and the choices you make for hotels, restaurants, etc. Travel expenses also depend on where you are located and whether you and your trainees can commute by car to the training base. See Item 11.

[10] Upon signing the Franchise Agreement, you must pay us \$10,000, which shall serve as the budget of the Opening Advertising Campaign for your Boustan Restaurant. You and we will work together to create an Opening Advertising Campaign which will set forth your advertising and promotional obligations during the period immediately prior to and after the commencement of your Boustan Restaurant. We will then either manage this Opening Advertising Campaign on your behalf or, in our sole judgement, require you to fulfil your obligations thereunder.

[11] This is an estimate of the annual premium for the required insurance coverage. See Item 6 for the current minimum coverage requirements, which may be modified from time to time in the Manual.

[12] You will be required to acquire the necessary permits and licenses required to open and operate your Boustan Restaurant. States and localities will set costs for permits and licenses.

[13] You will be required to acquire the necessary bonds, utilities and merchant accounts and to make the deposits required to open and operate your Boustan Restaurant.

[14] There may be additional miscellaneous expenses incurred in developing your Boustan Restaurant.

[15] These amounts are the minimum recommended levels to cover operating expenses, including employees' salaries, for the first 3 months of operation. However, we cannot guarantee that this amount will be sufficient, and you must have sufficient working capital to cover your operating and other expenses and disbursements, including debt service, until you break even on an operating basis. Additional working capital may be required if sales are low or fixed costs are high. The estimate of additional funds does not include an owner's salary or draw. The additional funds required will vary by your area; how much you follow our methods and procedures; your management skill, experience and business acumen; the relative effectiveness of your staff; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period.

[16] These estimates are based on the experience of our affiliate in operating Boustan Restaurants in Canada, as well as independent research we have conducted in the United States. We do not guarantee that your costs will be the same as those included above, and you may incur additional costs that we have not identified. Your actual costs may vary based on many factors, including, but not limited to, the geographic area in which you open, your management capabilities, skills and experience; construction costs, prevailing labor costs, materials and other economic and local conditions in your market; the size of your space; real estate conditions; your ability to negotiate landlord contributions and other rent concessions; the prevailing rents in your area; local zoning and permitting costs; utility and other costs; how well you follow the System; and, other factors outside of our control and influence. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your market area. We do not provide financing to franchisees either directly or indirectly in connection with their initial investment requirements. The availability and terms of financing obtained from third parties will depend upon such factors as the availability of financing, your creditworthiness, collateral that you may make available, and the policies of local lending institutions.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must use in your Boustan Restaurant only those ingredients, food products, spices, seasonings, mixes, beverages, materials, other supplies used in the preparation of food products, furniture, fixtures, equipment, smallwares, forms, paper and plastic products, packaging, other materials, programs and services that meet our standards and specifications ("Approved Products and Services") and which are now part of the System or which we in the future incorporate into the System unless, as to any one or more Approved Products and Services, sale is prohibited by local law or regulation or we have otherwise granted you our advance written approval. You may not sell any program, product or service which is not a part of the System or which we delete from the System. We may designate one or more specific manufacturers or suppliers for Approved Products and Services, which may be us or our affiliates (an "Approved Supplier"). Further, we reserve the right to designate, for either all Boustan Restaurants or a subset of Boustan Restaurants situated within one or more geographic regions, a single source Approved Supplier or single source regional supplier (collectively, "Single Source Approved Suppliers") of certain Approved Products and Services. From time to time, we, an affiliate or a designated third party may be that Single Source Approved Supplier. If we do so, then immediately upon notification, you, we and all other Boustan Restaurants (or, as applicable, those in the designated geographic area) must purchase the specified products and services only from such Single Source Approved Supplier. However, if at the time of our notification you are already a party to a non-terminable supply contract with another vendor or supplier for the product in question, then your obligation to purchase from our Single Source Approved Supplier will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract. We make no representation that we will have exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same products and/or

services at a lower price from another supplier. We may add to, modify, substitute or discontinue exclusive supply arrangements with any Single Source Approved Suppliers in the exercise of our business judgment.

As of our May 31, 2024 fiscal year end and through the date of this Disclosure Document, neither we nor any of our affiliates were a Single Source Approved Supplier, but we may be in the future in which case we will receive revenues from purchases. If we have not designated an Approved Supplier or Single Source Approved Supplier for particular Approved Products and Services, you may purchase such products and/or services from suppliers you propose and we approve in writing, provided the proposed suppliers meet the standards we establish from time to time and the products and/or services to be purchased are in strict accordance with our specifications. We issue and modify specifications in writing through our Manual or other written notices. We reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of products, services or equipment be paid directly to us as revenue or to the Worldwide System Brand Fund.

Proprietary Products

You must purchase exclusively from us or our affiliate (if we sell them) and/or our designated suppliers, any proprietary products we designate for use in the preparation of Boustan Restaurant food products (“Proprietary Products”), the recipes for which are considered unique and their formulae and manufacturing processes constitute trade secrets of the System. The right to purchase and use the Proprietary Products lasts only for the duration of the Franchise Agreement. We and our affiliates are currently designated suppliers or the only suppliers of certain Proprietary Products and reserve the right to receive revenues from purchases; however, these Proprietary Products are currently purchased through our designated third party distributors. Neither we nor our affiliates derived revenue from sales of any Proprietary Products to U.S.-based franchisees during our last fiscal year; however, we intend to receive revenue from this source in the future (which we currently anticipate may be approximately 3% or a flat rebate based on annual franchisee purchases). Our right to receive rebates on items that you purchase is unlimited and the precise rebates we may receive are subject to change from time to time in our sole judgment).

Trademarked Products

We may specify certain items of clothing (such as T-shirts), merchandise and other novelty items bearing our Proprietary Marks (“Trademarked Products”), which must be offered for sale in your Boustan Restaurant. We will provide specifications for the Trademarked Products, and you may purchase them either from suppliers designated by us or, if we do not designate a supplier, from suppliers selected by you who meet our specifications. We currently intend to require U.S. franchisees to purchase employee uniforms from us or our affiliate (at our cost plus a 10% mark-up). Except as set forth above, neither we nor our affiliates are currently designated suppliers or the only suppliers of the Trademarked Products. Neither we nor our affiliates derived any revenue from sales of any Trademarked Products to franchisees during our last fiscal year, but we may receive revenues from this source in the future.

Other Products

As noted above, in order to protect and maintain the reputation and goodwill of the System and our Proprietary Marks, you must purchase Approved Products and Services from Approved Suppliers and/or Single Source Approved Suppliers. Upon request, we will furnish to you a list of Approved Products and Services, Approved Suppliers, Single Source Approved Suppliers and the specifications for other products where we do not designate Approved Suppliers or Single Source Approved Suppliers. If you would like to propose for our consideration, an alternative product, supply, material, furnishing or equipment for use in the operation of your Boustan Restaurant which has not yet been approved by us as conforming to our specifications and quality standards and/or from a supplier not yet approved in writing by us as a supplier to our franchisees, you must: (i) submit a written request to us for approval of the product and/or supplier and then furnish us with the information, data and samples that we reasonably request for examination and testing for our determination as to whether the product, supply, material, furnishing, equipment or the supplier meets our specifications and standards; (ii) the product and/or supplier must meet our specifications to our reasonable satisfaction; (iii) the

supplier must agree to allow us or our agents to conduct initial and continuing inspections of its facilities (the reasonable costs of which you will be required to bear); and, (iv) the supplier must demonstrate to our reasonable satisfaction that it is in good standing in the business community for financial soundness and reliability of its product or service. We do not maintain written criteria for approving suppliers, and thus these criteria are not available to you or your proposed supplier. We may test, at your expense, the product or service of any supplier you propose, whether or not the supplier is then approved by us. We will give you notice of our approval or disapproval within 30 days, and such approval or disapproval will be in our sole discretion. If we test the product or service, you and/or any supplier must reimburse us for all costs and expenses we incur in connection with any testing, including travel and lodging expenses. If we revoke approval of any supplier, we will give you written notice (in our Manual or otherwise). You must, at all times, maintain an adequate inventory of products, supplies and materials sufficient to satisfy customer demand and to operate your Boustan Restaurant.

We currently negotiate purchase arrangements, including price terms, with suppliers for the benefit of franchisees. There are currently no purchasing or distribution cooperatives. We provide you with no material benefits (such as granting additional franchises) based on your purchase of particular products or services or use of designated or approved suppliers. We do not provide or withhold material benefits to you (such as the right to renew or to open additional Boustan Restaurants) based on whether or not you purchase products through the suppliers we designate or approve; however, purchases of unapproved products or from unapproved suppliers in violation of the Franchise Agreement will entitle us to terminate the Franchise Agreement.

Except with respect to the uniforms that you may be required to purchase from us or our affiliate, none of our officers currently own an interest in any approved supplier, but may in the future.

We estimate that the required purchases described above are 80% to 100% of the cost to establish and operate a Boustan Restaurant.

Computer Hardware and Software

You will be required to purchase and use the hardware, software and communication systems specified in our Manual or as otherwise specified by us. You will obtain and maintain operating software, accounting, internet, intranet and other business and industry software as specified by us and from suppliers designated by us. Because information and technology systems are constantly being improved, you must purchase any upgrades, enhancements or replacements to your computer system, computer software and personal communication system as we advise, although not more than once a year. We may acquire or develop proprietary software for use by franchisees. The type of, and/or designated supplier for, such software may change from time-to-time. We may establish a hardware and software help desk to assist franchisees or may require franchisee to engage the hardware and software support services of third party vendors, which may include affiliates of ours. We have received no revenues from sales of software or software support services, but we may receive revenues from these sources in the future.

Insurance

You must secure and maintain insurance coverage with insurance carriers acceptable to us and must meet our current minimum insurance requirements as described in this paragraph or as otherwise provided in the Manual. The following is the current minimum insurance coverage, which must be purchased from a carrier that is A.M. Best Rated at least A+: (1) Broad form comprehensive general liability coverage of at least \$5,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal injury, bodily injury, property damage and product liability. This insurance may not have a deductible or self-insured retention of over \$5,000. (2) Full insurance of liability for services and product liability protecting the insured against the financial consequences of any liability they may incur in any way whatsoever because of the provision, delivery, sale and/or lease of any service and/or product and/or good. The limit of liability subject to such insurance shall not be less than \$2,000,000 per occurrence. (3) "All Risk" coverage (including fire, explosion or any other loss or disaster, including vandalism and/or any other voluntary act, and extended coverage insurance on your Boustan Restaurant and property in an amount adequate to fully replace them in

case of an insured loss. (4) Business interruption insurance in sufficient amounts to cover your Boustan Restaurant rental expenses, maintenance of competent personnel and other fixed expenses for the greater of (a) a minimum of 120 days or (b) a minimum monthly amount equivalent to the monthly average of the Gross Revenue made during the course of the prior twelve (12) month period. This insurance policy must specify that protection is provided even in the event of damage caused by fire and those risks mentioned in the additional coverage rider including vandalism and malicious damage. (5) Workers' compensation, employer's liability and any other employee insurance required by any applicable federal, state or local law, rule or regulation (but in no event less than \$1,000,000 for employer's liability insurance). (6) In connection with the construction, refurbishment, renovation or remodeling of your franchised Boustan Restaurant, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us. (7) Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under your Franchise Agreement. (8) Others as determined by your legal counsel and risk management advisor. You must name us as an additional insured on all insurance policies and you must provide us with certificates of insurance evidencing this coverage. We may specify changes in the types and amounts of minimum insurance coverage required in the Manual.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement ("FA") 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	FA: Article 6, Exhibit A	Items 7 and 11
b. Pre-opening purchases/leases	FA: Sections 8.10, 8.11 and 9.01	Items 6, 7, 8 and 11
c. Site development and other pre-opening requirements	FA: Article 6	Not Applicable
d. Initial and ongoing training	FA: Sections 7.02 - 7.04	Item 11
e. Opening	FA: Section 8.01	Item 11
f. Fees	FA: Article 5, Sections 13.01 and 14.04	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	FA: Article 8 - 10	Items 7, 8, 11, 15 and 16
h. Proprietary Marks and proprietary information	FA: Articles 12, 15 and 18, Exhibit B	Items 13 and 14

Obligation		Section in Agreement	Disclosure Document Item
i.	Restrictions on products/services offered	FA: Sections 3.03 and 8.10	Item 16
j.	Warranty and customer service requirements	Not applicable	Item 16
k.	Territorial development and sales quotas	FA: Not applicable	Item 12
l.	Ongoing product/service purchases	FA: Section 8.10 and 8.11	Items 6 and 8
m.	Maintenance, appearance and remodeling requirements	FA: Sections 8.07, 13.01, 14.04	Item 11
n.	Insurance	FA: Article 9	Item 6
o.	Advertising	FA: Article 10	Item 11
p.	Indemnification	FA: Section 8.13	Item 6
q.	Owner's participation/management/staffing	FA: Sections 8.09 and 8.22	Item 15
r.	Records and reports	FA: Article 11, Sections 5.05 and 10.01	Item 6
s.	Inspections and audits	FA: Sections 8.14, 11.02	Item 6
t.	Transfer	FA: Article 14	Item 17
u.	Renewal	FA: Article 13, Section 4.02	Item 17
v.	Post-termination obligations	FA: Article 18	Item 17
w.	Non-competition covenants	FA: Article 12	Item 17
x.	Dispute resolution	FA: Articles 22-23, 25, 27, 29-30, 32-33	Item 17
y.	Personal guarantee	FA: Sections 14.03, 14.04 and 31.02, Exhibit E	Item 15

**ITEM 10
FINANCING**

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

ITEM 11

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

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

Pre-Opening Obligations

Franchise Agreement

Before you open your Boustan Restaurant, we will:

- (1) Approve or disapprove a site selected and proposed by you for your Restaurant Location. We do not currently own sites for leasing to franchisees but reserve the right to do so in the future. (Franchise Agreement, Section 6.01) If you and we cannot agree upon a Restaurant Location for which you secure an approved lease within 120 days following the date we sign the Franchise Agreement, then either you or we can terminate the Franchise Agreement, and if either of us does so, then you must sign a General Release in the form of Exhibit E to this Disclosure Document and we will refund the Initial Franchise Fee except for \$10,000 which we shall keep and shall be fully earned and non-refundable.

If you request, or we propose, that we conduct on-site visits to review potential sites for your Boustan Restaurant, you will be required to pay us a fee of \$1,500 per additional visit and reimburse us for all travel, lodging, living and other expenses incurred in connection therewith. We may require you to submit maps, completed checklists, photographs, copies of proposed leases, diagrams of the premises with measurements, and other information and materials which we may reasonably require to evaluate your proposed Restaurant Location.

We consider the following factors in approving sites: the general location and neighborhood and nearness to customers; store visibility; traffic patterns; co-tenant attractiveness; size of the space; age and condition of the space or building; the location and convenience of entrances; the availability of parking; the availability of locations and necessary zoning; the location of competitors; and, any other relevant factors.

- (2) Approve or disapprove the lease or purchase agreement for the Restaurant Location within 20 business days after we receive it. If we do not communicate our approval or disapproval to you in that time, and if the lease is accompanied by a rider containing the required provisions of Exhibit C to the Franchise Agreement, the agreement is approved. (Franchise Agreement, Section 6.02)
- (3) Review your final plans and specifications for the Boustan Restaurant promptly and approve or provide comments on the plans and specifications to you. You may not commence construction of the Boustan Restaurant until we approve the final plans and specifications in writing. We may provide you with the names of designated or approved suppliers and specifications for some items of the design, construction, furniture, fixtures, equipment and decoration of the Boustan Restaurant. (Franchise Agreement, Section 6.03 and 6.04)
- (4) Specify the electronic and/or written accounting and MIS Systems, procedures, formats and reporting requirements which you will use to account for your Boustan Restaurant; maintain your financial records and merchandising data; and, generate reports for both you and us. (Franchise Agreement, Section 7.06)
- (5) Lend you a copy of the Manual, either in hard or electronic copy. You must strictly comply with the Manual in operating your Boustan Restaurant. We can change the Manual, and you must comply with these changes when you receive them, but they will not materially alter your rights and obligations under the Franchise Agreement. (Franchise Agreement, Section 7.01)

- (6) Furnish you with any written specifications for required products and services (Franchise Agreement, Section 8.10)
- (7) Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within 10 business days, the material is disapproved. (Franchise Agreement, Section 10.02)
- (8) If we determine to do so, exercise rights concerning franchisee pricing of products and services to the fullest extent permitted by then-applicable law. These rights may include, for example prescribing the maximum and/or minimum retail prices which you may charge customers; recommending the prices you charge customers; advertising specific retail prices for some or all products or services sold by your Boustan Restaurant, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your Boustan Restaurant may charge the public. We may do so only in certain geographic areas (cities, states, regions) and not others, or with regard to certain groups of franchisees and not others. Any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your Boustan Restaurant (Franchise Agreement, Section 7.07)
- (9) Provide you with a list of opening inventory and supplies to order. See Item 7.
- (10) We will not provide any assistance with conforming the premises of your Boustan Restaurant to local ordinances and building codes and obtaining any required permits, and/or constructing, remodeling, or decorating the premises, and/or hiring and training employees.

Obligations After Opening

During the operation of the Boustan Restaurant, we will:

- (1) Furnish you with the field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Boustan Restaurant. The timing of these services will be subject to the availability of our personnel. (See Franchise Agreement, Section 7.05).
- (2) Provide standard electronic accounting forms, other accounting forms and electronic reports, as part of our Manual or otherwise. (Franchise Agreement, Section 7.06)
- (3) Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within 10 business days, the material is disapproved. (Franchise Agreement, Section 10.02)
- (4) Furnish you with any specifications for required products and services. (Franchise Agreement, Section 8.10)
- (5) Continue, if we determine to do so, to engage in the pricing activities described above in this Item 11. (Franchise Agreement, Section 7.07)
- (6) We will not provide any assistance with conforming the premises of your Boustan Restaurant to local ordinances and building codes and obtaining any required permits, and/or constructing, remodeling, or decorating the premises, and/or hiring and training employees.

Advertising

Regional Advertising Cooperatives

There are currently no regional advertising cooperatives. We may, from time to time, establish, change, merge or dissolve regional advertising cooperatives for a geographic area which encompasses two or more Boustan Restaurants (each a "Regional Advertising Cooperative"). If we form a Regional Advertising Cooperative for

your area, we will notify you in writing of the starting date and amount of your advertising cooperative contributions. We will determine the area of each Regional Advertising Cooperative based on an area that we consider likely to be able to advertise effectively on a Regional Advertising Cooperative basis. The Franchise Agreement gives us the power to require Regional Advertising Cooperatives to be formed, changed, dissolved or merged. Your contributions will be at least 1% but no more than 2% of Gross Revenues (unless the Regional Advertising Cooperative changes the maximum contribution under its By-Laws; see Franchise Agreement, Section 10.04). Expenditures by the Regional Advertising Cooperative need not be in proportion to the contributions you make (or any other franchisee makes). Bousthan Restaurants that are owned and operated by us or an affiliate of ours and are within the geographic area of a Regional Advertising Cooperative will participate in and contribute to the Regional Advertising Cooperative on the same basis as required of franchisee members of the Regional Advertising Cooperative and will have the same voting power, including with respect to fees imposed by the Regional Advertising Cooperative (subject to Franchisor's ultimate sole right to dissolve a Regional Advertising Cooperative). Because we have not yet established any such Regional Advertising Cooperative, we do not currently have any Regional Advertising Cooperative governing documents available for your review.

A Regional Advertising Cooperative may spend funds for: developing advertising ideas and concepts; developing market research and merchandising programs; preparing advertising campaigns; developing promotional ideas and strategies; preparing collateral creative materials; preparing advertisements (including writing, filming, editing, etc.); planning, negotiating, contracting and trafficking media programs; technical and professional advice for programs; public relations; and, administration of the Regional Advertising Cooperative, including legal and accounting services.

Worldwide System Brand Fund

If we establish a Worldwide System Brand Fund (the "Worldwide Fund"), we will notify you in writing of the starting date and amount of your Contributions, (see Item 6). If and when we do, you must contribute 2% of your Bousthan Restaurant's Gross Revenues to our Worldwide Fund (the "Fund"). (Franchise Agreement, Section 10.01)

We will direct all advertising programs and control the creative concepts, materials and media used, media placement and allocation. We need not make expenditures for you that are equivalent or proportionate to your contributions to the Fund. We need not ensure that any particular franchisee benefits directly or proportionately from Fund advertising. The Fund is not a trust and we are not a fiduciary.

The Fund may be used to meet all costs of administering, directing, preparing, placing and paying for international, national, regional or local advertising. This includes: television, radio, magazine, newspaper and worldwide web/internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; the creation, maintenance and periodic modification of the Bousthan website; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party facility for customizing local advertising materials; accounting for Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; advertising at sports events; mailers, door hangers, freestanding inserts/coupons, brochures and sponsorships; mystery shoppers (both for the System and for competitive networks or units); celebrity endorsements; related retainers; association dues (including the International Franchise Association); social media programs on the internet; cellular telephone and smartphone media programs; other activities that we believe are appropriate to enhance, promote and/or protect the System; and, engaging advertising agencies to assist in any or all of the above activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other public relations and advertising agency fees. The Worldwide Fund may (in our sole judgment) be combined with advertising funds from our franchisees, affiliates who operate Bousthan franchise systems in other territories and/or regional marketing funds from our master franchisees.

We need not maintain the money paid by franchisees to the Fund and income earned by the Fund in a separate account, but we may not use this money for any purposes other than those provided for in the Franchise Agreement. We can spend money from the Fund for our reasonable administrative costs and overhead for

activities reasonably related to the administration of the Fund and advertising programs for franchisees, including, for example, preparing marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing an accounting of contributions to the Fund and the annual statement of Fund contributions and expenditures described below; and, otherwise devoting our personnel, resources and/or funds for the benefit of the Fund.

Within 60 days following the close of our fiscal year, we will prepare (but not audit) a statement detailing Fund income and expenses for the fiscal year just ended. We will send you a copy of this statement upon request.

We will spend most contributions to the Fund for advertising purposes during the fiscal year in which the contributions are made. If we spend more than the amount in the Fund in any fiscal year (in addition to any money we have to spend because we did not spend all the money in the Fund during the year before), then we can reimburse ourselves from the Fund during the next fiscal year for all excess expenditures during the preceding fiscal year, with interest. If we spend less than the total in the Fund during any fiscal year, we can either spend the unused money during the next fiscal year or we can rebate all or a portion of the unused money to franchisees on a proportionate basis for them to spend on local advertising and promotion.

We can use whatever media, create whatever programs and allocate advertising funds to whatever regions or localities we consider appropriate. The allocation may include rebates to individual franchisees of some or all of their Worldwide Fund contributions for local advertising expenditures if, in our judgment, our international, national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities.

The Fund will not be used for any activity whose sole purpose is the sale of franchises. However the design and maintenance of our website (for which Fund monies may be used) may include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the Boustan brand and the franchise opportunity.

Although we intend the Fund to be perpetual we can terminate the Fund. We will not terminate the Fund until it has spent all money in the Fund for advertising and promotional purposes.

Each Boustan Restaurant which we or our affiliates may in the future establish and operate will not be required to contribute to the Fund a percentage of its Gross Revenues identical to the percentage which then prevails for Boustan Restaurant franchisees.

Although our affiliate franchisors disclosed in Item 1 have established one or more brand funds for their franchise systems, we have not yet established a Worldwide System Brand Fund (or any other fund comprised of our franchisees in the United States). As such, during our most recently concluded fiscal year we did not collect any Worldwide System Brand contributions or spend any Fund income.

Local Advertising

Upon signing the Franchise Agreement, you agree to pay \$10,000 to us, which shall serve as the budget of the Opening Advertising Campaign for your Boustan Restaurant. You and we will work together to create an Opening Advertising Campaign setting forth your advertising and promotion obligations during the period immediately prior to and after the opening of your Boustan Restaurant. (Franchise Agreement, Section 10.03) We will then either manage this Opening Advertising Campaign on your behalf or, in our sole judgment, require you to fulfil your obligations thereunder. We may require you to submit proof of your expenditures under the Opening Advertising Campaign. Thereafter, you must spend 1% of your Boustan Restaurant's Gross Revenues on local advertising. (Franchise Agreement, Section 10.03) You must also annually submit to us a plan for your minimum local advertising expenditure requirement. We have the right (but not the obligation) to require you to pay us all local advertising expenditures for us to conduct such local advertising on your behalf.

Advertising Council

There is no advertising council composed of franchisees. The Franchise Agreement does not give us the power to form, change, or dissolve a franchisee advertising council.

Other Advertising Information

There is no obligation for us to maintain any advertising program or to spend any amount on advertising in the area where your Restaurant Location is located. We currently advertise using print, radio and television, with local, regional, national and international coverage. We may employ both an in-house advertising department and international, national or regional advertising agencies.

You may develop advertising materials for your own use, at your own cost. As stated above, we must approve these advertising materials in advance and in writing, but if we do not respond within 10 business days after receiving your proposed advertising material, the material is disapproved.

Web Sites and Social Media

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the Boustan System. We may establish one or more websites accessible through one or more uniform resource locators (“URL’s”) and, if we do, we may (but need not) design and provide for the benefit of your franchised Boustan Restaurant a location subpage at each of these websites for the promotion of your Boustan Restaurant. If we establish one or more websites or other modes of electronic commerce and if we provide a location subpage at each of these website for the promotion of your Boustan Restaurant, you must routinely provide us with updated copy, photographs and news stories about your franchised Boustan Restaurant suitable for posting on your Boustan Restaurant’s location subpage. We will specify the content, frequency and procedure of these in our Manual. Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at Boustan Restaurants – also be devoted in part to offering Boustan franchises for sale and be utilized by us to exploit the electronic commerce rights which we reserve (see Item 12). In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, Boustan System discussion forums and systemwide communications (among other activities) can be effected. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your franchised Boustan Restaurant; establish a link to any website we establish at or from any other website or page; or, at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the “Boustan” name or any confusingly similar name.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any Boustan website we establish and maintain, including all material you may furnish to us as described above.

Notwithstanding the foregoing, you may only maintain a social media page (including, without limitation Facebook, Instagram or Twitter) or otherwise maintain a presence or advertise on the internet, through social media with our prior written approval and so long as such presence conforms to our standards and specifications and social media policy, as we may establish and modify from time to time.

Computer and Point of Sale System

Before commencing the operation of your Boustan Restaurant, you must purchase computer hardware, software, internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment (the “Computer and POS System”). While we reserve the right to mandate the make and model for your Computer System, we currently only mandate the Point of Sale System that you must utilize. See Item 7 for the cost of the Computer and POS System. You must obtain high-speed communications access for your Computer and POS System. We will also provide you with an e-mail address, which you will be required to maintain and use, in connection with your Boustan Restaurant operations.

You must provide all assistance we require to bring your Computer and POS System on-line with our headquarters computer at the earliest possible time and to maintain this connection as we require. You must input and maintain in your Computer and POS System all data and information which we prescribe in our Manual and otherwise. We may retrieve from your Computer and POS System all information that we consider

necessary, desirable or appropriate. We will bear the costs of this information retrieval. You must accurately, consistently and completely record, structure, capture and provide through the Computer and POS System all information concerning the operation of the Boustan Restaurant that we require, in the form and at the intervals that we require. This information includes without limitation data related to customer data and contact information, customer purchases, gross revenue, discounts and refunds issued to customers, promotional programs, etc.

The following is a general description of Computer and POS System that you must purchase and maintain for each Boustan Restaurant: one back office computer; one printer; one Microsoft Office current and complete software suite for business; one inventory management system; three ordering kiosks; and the Point of Sale (POS) hardware and software which we designate from time to time (currently it is MYR).

In all, the Computer and POS System described above will cost approximately between \$6,000 - \$10,000 in up-front purchase costs. You will be solely responsible for the acquisition, operation, maintenance, repairs, upgrading and updating of the Computer and POS System. Note that this total does not include the monthly or other continuing fees that may apply (i.e., the MYR POS Service currently costs approximately \$600 per year; however, we may change to a new required POS system that may cost approximately \$330 per month). We do not currently require you to obtain any standalone maintenance, updating, upgrading or support contract for the Computer and POS System. We anticipate that the cost associated with such maintenance, updating, upgrading and support of the POS System will be included in the monthly fees paid to the POS System vendor. We do not require or recommend any maintenance, updating, upgrading or support contract for the Computer and POS System besides for the POS System itself, and we are not aware of any such contracts that you would obtain. As such, we do not anticipate that you will incur any annual costs associated with same.

You must keep your Computer and POS System in good repair. If we run tests and determine that the installation will benefit you and us, you must install (at your own expense) whatever additions, changes, substitutions and replacements to your computer hardware, software, telephone and power lines, etc. we direct. You must install these items when we direct. You will pay for these items at the time and upon the terms that the sellers specify. There is no contractual limit on our ability to require you to upgrade, add components to, and replace components of the Computer and POS System.

You agree to purchase and use software and software support services that either we develop and provide or which are provided by a third party supplier we designate, and you will execute any standard form software license agreement reasonably necessary to do so. If we do not either provide, or designate a third party supplier to provide, software support services, then you must obtain such services from third party supplier that you reasonably select and we approve. The expense for the software support services will depend on the supplier and scope of services you select. You agree to purchase new, upgraded or substitute software whenever we determine to adopt such software systemwide, at the prices and on the terms that we or such third party vendor establish, but you will not be required to do so more than once in any calendar year. You will pay for new or updated programs and materials when you order them. (Franchise Agreement, Section 8.10)

Training

Boustan Academy

Before you attend the Initial Training Program, you, your Operating Principal and Restaurant Manager must virtually attend and successfully complete our online preliminary training program entitled "Boustan Academy". We anticipate that it will take approximately 16 hours to complete Boustan Academy.

Initial Training Program

After you obtain your Restaurant Location and successfully complete Boustan Academy and before the opening of your Boustan Restaurant, we will provide you with our approximately 5-week Initial Training Program. The following is description of our Initial Training Program as of the date of issuance of this Disclosure Document:

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Kitchen Training	0	80	Our headquarters, a company-owned and/or franchised Restaurant in Canada or at another location we choose
Cooking and Counter Training	0	80	Our headquarters, a company-owned and/or franchised Restaurant in Canada or at another location we choose
Management Training	40	0	Our headquarters, a company-owned and/or franchised Restaurant in Canada or at another location we choose

We conduct the Initial Training Program at our headquarters offices in City of St-Laurent, Province of Quebec, Canada, a company-owned and/or franchised Bousthan Restaurant in Canada or at another location we choose (which may be in the United States or in Canada). In addition, we may determine from time to time, in our sole judgement, to suspend in-person gatherings such as the Initial Training Program and instead conduct them virtually. We will conduct the Initial Training Program as many times a year as is necessary. The instructional materials consist of our Manual and various print and electronic materials. The minimum approximate experience of the instructors in the field relevant to the subject taught and in our (or our affiliates) operations is between 1 to 5 years.

The Initial Training Program is mandatory for you (if an individual), your Operating Principal and Restaurant Manager. The Initial Franchise Fee includes the cost of the Initial Training Program two individuals.

You (if an individual), your Operating Principal and Restaurant Manager must attend and complete the Initial Training Program to our satisfaction. If you (if an individual), your Operating Principal or Restaurant Manager fails to successfully complete the Initial Training Program, we can extend the Initial Training Program (at your cost and expense, but not for any additional fee) for an extra week, or we can permit the person who failed to re-enroll in our next scheduled Initial Training Program at no additional charge. We can terminate the Franchise Agreement if the person again fails to successfully complete the Initial Training Program. If we terminate the Franchise Agreement for this reason, we will refund the Initial Franchise Fee except for \$5,000 which we shall keep and shall be fully earned and non-refundable, and you must sign a General Release in the form of Exhibit E to this Disclosure Document.

Any Operating Principals and/or Restaurant Managers you appoint after the opening of your Bousthan Restaurant must attend and successfully complete our next scheduled Initial Training Program at a charge of

\$1,500 per person per week. You must pay the transportation costs, meals, lodging and other living expenses incurred in connection with your trainees attending the Initial Training Program.

On-Site Training

Upon the opening of your Boustan Restaurant, we will provide you with, at no charge, up to 7 days of opening on-site training at your Restaurant ("Opening Training"). In addition to the Opening Training, you can request additional on-site training and/or assistance at any time. We will provide it, for a fee of \$1,500 per trainer per week, plus living, transportation and lodging expenses, at our option, but the Franchise Agreement does not require us to provide it. The timing of all on-site and off-site advice, consultation and training (after the Initial Training Program and the Opening Training) will be subject to the availability of our personnel.

Ongoing Training

We may periodically conduct an annual conference, convention or training session. We will determine the duration, curriculum and location of these. Unless we designate otherwise, you (if an individual), your Operating Principal and your Restaurant Manager must attend each annual conference, convention or training session.

You must pay all the expenses incurred by your trainees or attendees in connection with the Initial Training Program, Opening Training and any other training, conferences, conventions or other meetings your trainees attend, including, for example, their salaries, transportation costs, meals, lodging and other living expenses. (Franchise Agreement, Section 7.02)

Field Support Services

After you open your Boustan Restaurant, we may from time to time offer you field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Boustan Restaurant. The timing of our field support and headquarter consultation services will be subject to the availability of our personnel. (Franchise Agreement, Section 7.05)

We reserve the right to make any adjustments to our services as we may determine necessary, in our sole judgement, from time to time in order to protect health and safety. These adjustments may include, by way of example but without limitation, suspending in-person gatherings such as training, meetings and conferences; instead, such events may be conducted virtually.

Time to Open

You must secure all necessary licenses and sign an approved lease for your Restaurant Location within 120 days after we sign your Franchise Agreement. You must open your Boustan Restaurant within 210 days after we sign your Franchise Agreement. We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of a Boustan Restaurant is approximately 200 days, although this may vary due to a number of factors. Factors affecting time to opening include attendance at and satisfactory completion of our Initial Training Program, obtaining a satisfactory site for the Restaurant Location, arranging for any financing, complying with local ordinances, completing delivery and installation of equipment and signs and procuring opening inventory.

Manual

The following is the Table of Contents of the Manual as of the date of this Disclosure Document:

Chapter Title	Number of Pages
Introduction	14
Recruiting	1
Retention	1

Train the Trainer	4
Emotional Intelligence & Leadership	5
Financial Reports	4
Performance Management	14
Food Safety & Hygiene	13
Accident Prevention	10
Cleaning & Maintenance	15
Team Member and Management	8
Master Recipes & Food Preparation	42
KPIs & Targets, Marketing, Selling and Planning	1
Product, Ordering & Serving Information	1
Rehearsals	1
Training Record	2
Restaurant Layout and Equipment	2
Boustan Equipment List	3
Boustan Smallwares List	4
Restaurant Checklist Templates	19

ITEM 12 TERRITORY

Franchise Agreement

We will grant you a specific location (the “Restaurant Location”) from which to operate your Boustan Restaurant. 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.

You may not relocate the Restaurant Location without our previous written approval. You must reimburse us for any reasonable costs we incur in considering any relocation request. We will grant approval if you are in compliance with the Franchise Agreement, you have paid all money owed to us and our affiliates, the proposed location meets our site selection criteria, and you comply with the lease requirements in the Franchise Agreement. We may, if we wish, inspect your proposed new location.

Your Boustan Restaurant may only offer and sell its products and services from your Restaurant Location. Your Boustan Restaurant may not sell any products or services through any alternative channels of distribution, such as the internet/virtual platforms (including without limitation the metaverse) or other forms of electronic commerce; engage in cryptocurrency, non-fungible token (NFTs) and other blockchain promotions; mail order; catalogs; food retailers (including supermarkets, grocery stores and convenience stores); ghost kitchens, cloud kitchens and other delivery-only concepts; or, any other channel of distribution except directly from your Restaurant Location. Under no circumstances may your Boustan Restaurant offer delivery or catering of System menu items or products except as we may (but need not) authorize in writing.

You may operate your Boustan Restaurant only from the Restaurant Location. We will grant you a protected geographic area (the "Territory"). The minimum Territory we grant you will consist of a: (i) 2 mile radius around your Restaurant Location, if we determine that your Restaurant Location is in a rural area; (ii) 1 mile radius around your Restaurant Location, if we determine that your Restaurant Location is in a suburban area; or, (iii) 1/4 mile radius around your Restaurant Location, if we determine that your Restaurant Location is in an urban area. We will describe your Restaurant Location and Territory in detail in Exhibit A to your Franchise Agreement.

While the Franchise Agreement is in effect, we and our affiliates will not, in your Territory, operate or grant a franchise for a Boustan Restaurant of the type franchised to you hereunder, except as described below. Outside of the Territory, we and/or our affiliates reserve the right to operate any number of Boustan Restaurants and

businesses, and/or authorize others to operate same, at any location whatsoever, including one or more locations that may be immediately proximate to, but not within, the Territory.

By way of example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location whatsoever, including within your Territory, so long as such other business does not sell under identical Proprietary Marks, the identical type of programs, products or services which your Boustan Restaurant offers and sells (except as permitted below). Further, we and/or our affiliates may own, operate or authorize others to own or operate Boustan Restaurants at any location outside of your Territory, including immediately proximate to your Territory.

In addition, we and/or our affiliates alone have the right to offer and sell within and outside your Territory, and under the Proprietary Marks or otherwise, any and all System programs, products or services and/or their components or ingredients (including those used or sold by your Boustan Restaurant), at wholesale or retail, through any alternative method of distribution including, without limitation, such alternative channels of distribution as the internet/worldwide web/virtual platforms (including without limitation the metaverse); any other form of electronic commerce; engage in cryptocurrency, non-fungible token (NFTs) and other blockchain promotions; supermarkets, grocery stores and convenience stores; ghost kitchens, cloud kitchens and other delivery-only concepts; mail order; catalogs; television sales (including “infomercials”); or, any other channel of distribution whatsoever except for a Boustan Restaurant of the same type franchised to you hereunder, in your Territory. You will receive no compensation for our or our affiliates’ sales through alternative distribution channels.

We and/or our affiliates also alone have the right to offer and sell (directly, or through other franchisees or licensees) System programs, products and services at any and all nontraditional locations, including nontraditional locations situated proximate to your Restaurant Location, through the establishment of traditional Boustan Restaurants, limited service Boustan Restaurants, kiosks, mobile units/food trucks or other alternative formats (whether operating under the Proprietary Marks or otherwise), and that, by contrast, you are precluded in engaging in any such activity. “Nontraditional locations” include sports arenas and venues; food retailers (including supermarkets, grocery stores and convenience stores); malls and mall food courts; resorts; cruise ships; airports; schools and universities; hospital and healthcare facilities; guest lodging facilities; car and truck rest stops and travel centers; educational facilities; zoos, convention centers, recreational theme parks and amusement parks; Indian reservations; casinos; business or industrial foodservice venues; ghost kitchens, delivery-only restaurants, virtual kitchens, shadow kitchens, commissary kitchens, cloud kitchens, or dark kitchens; government facilities; the premises of any third party retailer; gas stations or toll road service areas; military bases and installations; and, any other location or venue to which access to the general public is restricted. You will receive no compensation for our or our affiliates’ sales at nontraditional locations.

Further, we and/or our affiliates alone have the right to sell System programs, products and services to national, regional and institutional accounts. “National, regional and institutional accounts” are organizational or institutional customers whose presence is not confined to your Territory, including (by way of example only): business entities with offices or branches situated both inside and outside of your Territory; sports leagues or divisions; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to your Territory. Only we will have the right to enter into contracts with national, regional and/or institutional accounts (which may include facilities within your Territory). If we receive orders for any System programs, products or services calling for delivery or performance in your Territory as a result of our engaging in commerce with national, regional and institutional accounts, then we will have the right, but not the obligation, either to require you to fulfill such orders at the price we agree on with the customer or to give you the opportunity to fulfill such orders at the price we agree on with the customer. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other one of our franchisees may serve the customer within your Territory, and you will not be entitled to any compensation. We may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise

or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and following such activity, we may operate, franchise or license those other businesses and/or facilities under the Proprietary Marks outside of your Territory, or under any names or marks other than the Proprietary marks, within your Territory. You will receive no compensation for these activities.

Under the terms of the Franchise Agreement, you waive and release any claims, demands or damages arising from or related to any of the above activities and promise never to begin or join in any legal action or proceeding, or register a complaint with any governmental entity, directly or indirectly contending otherwise.

We and our affiliates have not established and do not currently intend to establish any other franchises, company-owned outlets or other distribution channels offering similar products or services under a different trademark anywhere in the United States, but we may do so in the future.

There is no minimum sales quota. There are no restrictions on the areas in which you may advertise or solicit customers. During the term of your Franchise Agreement, there are no circumstances when we can alter your Restaurant Location or Territory. Under the Franchise Agreement, you have no options, rights of first refusal or similar rights to acquire additional franchises at any location, although you may apply for the right to operate additional Boustan Restaurants under separate franchise agreements.

ITEM 13 TRADEMARKS

The principal Proprietary Mark which we will license to you in operating your Boustan Restaurant appears on the cover of this disclosure document and, as summarized in the table below, is registered with the United States Patent and Trademark Office.

Principal Federal Registration

Registration Number	Description Of Mark	Principal Or Supplemental Register	Registration Date
6039644	BOUSTAN	Principal	April 28, 2020

There are presently no effective determinations of the U.S. Patent and Trademark Office, any trademark trial and appeal board, any state trademark administrator or any court, any pending interference, opposition, or cancellation proceeding, or any pending material litigation involving the above-referenced Proprietary Mark which is relevant to your use. There are no infringing uses or superior previous rights known to us that can materially affect your use of the Proprietary Mark. There is no pending material federal or state court litigation regarding our use or ownership rights in the Proprietary Mark. All required affidavits have been filed. All required renewals have been filed.

10021024 Canada Inc. has licensed us to use the Boustan System, trademarks, service marks and other intellectual property and to sublicense them to our franchisees in a cross-license agreement effective as of November 1, 2019 (the "Cross License Agreement"). The initial term of the Cross-License Agreement is twenty years. The non-exclusive territory of the Cross-License Agreement is the United States, its territories and possessions. There are no provisions in the Cross-License Agreement regarding cancellation of that agreement. So long as we are not in default, we will have the right to enter into renewal Cross-License Agreements for additional consecutive terms of twenty years each.

We or our affiliates have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Proprietary Marks, you must promptly notify us. We or our affiliates will promptly take the action deemed necessary to defend you. We or our affiliates must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Proprietary Marks. You may not settle or compromise any of these claims without our previous written consent. We or our affiliates will have the right to defend and settle any claim at our sole expense, using our own

counsel. You must cooperate with us or our affiliates in the defense. Under the Franchise Agreement, you irrevocably grant us authority to defend or settle these claims. You may participate at your own expense, but our or our affiliates' decisions with regard to the defense or settlement will be final. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Proprietary Marks in violation of the Franchise Agreement.

If you learn that any third party whom you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you must promptly notify us. We or our affiliates will determine whether or not we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

You must comply with any instruction by us to modify or discontinue use of any Proprietary Mark or to adopt or use additional or substituted Proprietary Marks. If this happens, we will reimburse you for your documented expenses of complying (such as changing signs, stationery, etc.). Except for reimbursing your documented expenses of complying, we will not be liable to you for any resulting expenses.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We hold no patents and we have no pending patent applications that are material to the franchise.

Copyrights

We have not filed any copyright applications with the United States Copyright Office that have not yet been registered. We claim copyrights on certain software, forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in the Manual.

There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the United States Patent and Trademark Office, Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. Finally, as of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in this state or in the state in which the Bousthan Restaurant will be located.

We have the right to control any administrative proceedings or litigation involving any copyrighted material licensed by us to you. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about our copyrighted material, you must promptly notify us. We will promptly take the action we consider necessary to defend you. We must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about our copyrighted material. You may not settle or compromise any of these claims without our previous written consent. We will have the right to defend and settle any claim at our sole expense, using our own counsel. You must cooperate with us in the defense. Under the Franchise Agreement, you irrevocably grant us authority to defend or settle these claims. You may participate at your own expense, but our decisions with regard to the defense or settlement will be final. We will have no obligation to defend or indemnify you if the claim against you relates to your use of our copyrighted material in violation of the Franchise Agreement.

If you learn that any third party whom you believe is not authorized to use our copyrighted material is using it or any variant of it, you must promptly notify us. We will determine whether or not we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

You must comply with any instruction by us to modify or discontinue use of any copyrighted material or to adopt or use additional or substituted copyrighted material. If this happens, we will reimburse you for your documented expenses of complying (such as changing signs, stationery, etc.). Except for reimbursing your documented expenses of complying, we will not be liable to you for any resulting expenses.

Confidential Information

You may never – during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated – reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize.

Under the Franchise Agreement, the following persons must sign our Confidentiality/Non-Competition Agreement (Exhibit D to the Franchise Agreement):

- Before employment or any promotion, your Operating Principal, Restaurant Manager and all other managerial personnel; and
- If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you.

Our confidential information will include information, knowledge, trade secrets or know-how used or embraced by the System, the Manual, and many other matters specified in the Franchise Agreement.

You must irrevocably license to us all intellectual property, services, products, equipment, programs, sales, marketing, advertising and promotional programs, campaigns or materials, and sales methods you develop for your Boustan Restaurant. We will not be liable to you in any way because of this license.

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

If an individual, you must: (i) either serve as or designate an Operating Principal and a Restaurant Manager, and (ii) personally supervise the operation of your Boustan Restaurant (unless we permit in writing). An entity franchisee must designate an Operating Principal and a Restaurant Manager. The Operating Principal, who will have day-to-day management responsibility for your Boustan Restaurant, will oversee compliance with our brand standards and be in charge of all dealings with us and such other obligations and responsibilities as set forth in our Manual. The Restaurant Manager, who will have day-to-day management responsibility for your Boustan Restaurant, will exercise on-premises supervision and personally participate in the direct operation of the Boustan Restaurant and such other obligations and responsibilities as set forth in our Manual.

You must inform us in writing of your Operating Principals and Restaurant Managers, as well as any successors in advance. Your Operating Principals and Restaurant Managers must complete the Initial Training Program to our satisfaction. After an Operating Principal's or Restaurant Manager's death, disability or termination of employment, you must immediately notify us, and you must designate a successor or acting Operating Principal and Restaurant Manager, respectively, within 10 days.

If the franchisee is a business entity, the Operating Principal must, but the Restaurant Manager need not, have equity interest in the franchisee entity.

Your Operating Principal and Restaurant Manager and the other persons listed in Item 14 must sign our confidentiality/non-competition agreement (Exhibit D to the Franchise Agreement) and keep our confidential or proprietary information confidential (see Item 14).

If you are a business entity, each owner of a 5% or greater interest in you must sign a personal guarantee in the form of Exhibit E to the Franchise Agreement. A spouse of a direct or indirect owner is not required to sign the guarantee, unless the spouse also has a direct or indirect ownership interest in the business entity.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must at all times offer and sell all products, services and programs which we designate part of the System unless you are prohibited by local law or regulation from selling a menu item, product, service or program or we have granted you our advance written approval to exclude a menu item, product, service or program.

If you would like to sell any product, service or program which is not a part of the System, then you must seek and obtain our advance written permission. If we grant our advance written approval, then the product, service or program in question will become a part of the System (though we will not be required to, but may, authorize it for sale at one or more other Boustan Restaurants). We may subsequently revoke our approval. We will own all rights associated with the product, service or program. You will not be entitled to any compensation in connection with it.

We may add to, delete from or modify the services, products and programs which you can and must offer or we may modify the System. You must abide by any additions, deletions and modifications. There are no limits on our rights to make these changes.

In addition to modifications of the System, we may incorporate into the System products, services or programs which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Boustan Restaurant, along with other Boustan Restaurants, will be required to offer and sell (collectively, "Co-Branding"). This Co-Branding may involve changes to the Proprietary Marks, and may require you to modify the building and premises of your Boustan Restaurant and the furnishing, fixtures, equipment, signs and trade dress at your Boustan Restaurant. If you receive written notice of our institution of Co-Branding, you must implement the Co-Branding at your Boustan Restaurant. The Franchise Agreement does not place any limit on our rights of to require you to make changes for Co-Branding.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 4.01	Unless sooner terminated in accordance with its provisions, the initial term ("Initial Term") of the Franchise Agreement begins on its effective date and ends 10 years following the sooner of: (i) the date your Boustan Restaurant opens for business, or (ii) the "Opening Deadline" set forth in Section 9.01 of the Franchise Agreement.
b. Renewal or extension of the term	Section 4.02, 13.01	You can enter into 2 consecutive Renewal Franchise Agreements for a term of 5 years each if you (a) notify us no more than 12 months before expiration; (b) comply with the Franchise Agreement and Manual and you did so and met your material obligations on time throughout the Initial Term; and, (c) satisfy all monetary obligations to us, our affiliates, landlord and suppliers.

Provision	Section in Franchise Agreement	Summary
c. Requirements for you to renew or extend	Section 4.02, 13.01	a. Design and remodel your Boustan Restaurant. b. You must be able to renew your lease on terms acceptable to you and us. c. Sign a General Release in the form of Exhibit E (but <u>not</u> releasing us from future claims under the Renewal Franchise Agreement). d. You, your Operating Principal, Restaurant Manager and any other management and staff we designate must attend and successfully complete any training that we may reasonably require, at your expense. e. You must pay us a renewal fee of 20% of the our then-current Initial Franchise Fee imposed on similarly situated franchisees, plus you must reimburse us for all legal and administrative costs that we incur in connection with approving and memorializing such renewal. You may be asked to sign a contract with materially different terms and conditions than your original contract, but there will be no initial franchise fee, the term of each Renewal Franchise Agreement will be 5 years, the limited renewal rights of the Franchise Agreement will be incorporated and the Royalty on renewal will not be greater than the Royalty that we then impose on similarly-situated renewing franchisees.
d. Termination by you	Section 17.02, 17.05	a. You may terminate the Franchise Agreement if you and we agree in writing. b. Your failure to pay any Royalties, Worldwide System Brand Fund Contributions or other money after you receive notice of the default granting an opportunity to cure, will mean that you are willfully and wrongfully breaching the Franchise Agreement and that you have decided to reject and terminate the Franchise Agreement and all Agreements between you and us (or our affiliates) related to the Franchise Agreement.
e. Termination by us without cause	None.	
f. Termination by us with cause	Article 17	We may terminate only if you default. The Franchise Agreement describes defaults throughout – please read it carefully.
g. "Cause" defined - defaults which can be cured	Section 17.03	You have 30 days to cure the default if you do not comply with any lawful Franchise Agreement or Manual provision or requirement or otherwise fail to fulfill the terms of the Franchise Agreement in good faith, except for defaults described in h. below. Examples of curable defaults include: a. You do not pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your Boustan Restaurant under any arrangement with us. The cure period for this default will be 5 days after written notice of default. If you do not cure within the shortened cure period, the Franchise Agreement will terminate immediately upon expiration of the 5-day cure period, or any longer period required by applicable law. b. You do not submit required reports or make any false statement in connection with any reports or information you submit to us. c. You sell unauthorized services or products. d. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers e. You engage in any business, or market any product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks. f. You do not pay any taxes on your Boustan Restaurant when due. g. You do not use the Proprietary Marks and/or trade dress solely in the manner and for the purposes we direct.

Provision	Section in Franchise Agreement	Summary
		h. You violate the restrictions relating to advertising or do not participate in the programs related to advertising and sales promotion. i. You do not indemnify us. j. You permit a continued violation in connection with the operation of the Boustan Restaurant of any law, ordinance, rule or regulation, in the absence of a good faith dispute. k. You fail to obtain or maintain a required, permit, certificate or other governmental approval. l. You employ an individual who is not legally eligible for employment in the United States. m. You fail to operate your Boustan Restaurant during the days and hours specified in our Manual without our advance written approval. n. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties necessary for the proper and effective operation of your Boustan Restaurant. n. You fail to maintain and operate your Bousan Restaurant and any vehicles used by your Boustan Restaurant in a good, clean and sound manner, in strict compliance with our standards. o. If any Guarantor fails to comply ith any of the requirements imposed by or pursuant to the Guarantee. p. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements. q. You or any Guarantor fail to satisfy any judgment not subject to appeal for more than 30 days, or fial to prosecute any judgment subject to appeal within 30 days. r. You do not comply with any other lawful provision or requirement of the Franchise Agreement or any specification, standard or operating procedure we prescribe.
h. "Cause" defined - non-curable defaults	Sections 17.01 and 17.02	Automatic, without notice: bankruptcy, insolvency, receivership, dissolution or levy. On notice to you: a. You fail to open the Boustan Restaurant within 210 days following the Effective Date of the Franchise Agreement or cease to operate the Boustan Restaurant, abandon the franchise, or, fail to operate your Boustan Restaurant for 3 consecutive days during which you are required to operate, unless due to causes beyond your control. b. You omitted or misrepresented a material fact in information you furnished us in connection with our decision to sign the Franchise Agreement. c. You and we agree in writing to terminate. d. You lose the right to possess the Restaurant Location e. You, your Operating Principal, Restaurant Manager and/or if you are a business entity, any owner, member, shareholder, director or manager of yours is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your operation of the Boustan Restaurant, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks f. You make an unauthorized transfer.

Provision	Section in Franchise Agreement	Summary
		g. You do not comply with the in-term covenant not to compete, or obtain the execution of the required additional covenants, or you violate the restrictions pertaining to the use of Confidential Information. h. Before you open, we determine that you or your Operating Principal or Restaurant Manager failed to attend or successfully complete the Initial Training Program (after being afforded the opportunity to obtain remedial training). i. You knowingly conceal revenues, knowingly maintain false books or records, falsify information or otherwise defraud or make false representations to us or submit any substantially false report to us. j. You do not maintain the required financial records. k. An audit shows that you understated your Gross Revenues by 2% or more 3 times within any 36 month period or 5% or more for the reporting period. l. You refuse us permission to inspect or audit, or to conduct an operational and/or financial audit of your Boustan Restaurant. m. You take any funds withheld from your employees' wages which should have been set aside for the Boustan Restaurant's employee taxes, FICA, insurance or benefits; wrongfully take our property; systemically fail to deal fairly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against or to discharge any agent, servant or employee who has embezzled. n. After curing a default which is subject to cure, you commit the same act of default again within 6 months. o. You make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmentatl authority regarding any matter involving or affecting the operations of your Boustan Restaurant. p. You interfere or attempt to interfere with our contractual relations and/or our relationships with any other franchisees, supplier, governmental or quasi-governmental authority, your or our customers, employees, or advertising agencies or any other third party.. q. You commit any incurable act or default which materially impairs the goodwill associated with our Proprietary Marks or if the default is curable, you do not cure a default which materially impairs the goodwill associated with our Proprietary Marks after at least 72 hours' written notice to cure. r. You fail for 15 days after notice to comply with any law or regulation applicable to the Boustan Restaurant. s. You repeatedly fail to comply with one or more requirements of this Franchise Agreement, whether or not corrected after notice. t. You do not purchase or maintain required insurance. u. You, your Operating Principal, your Restaurant Manager and/or your Boustan Restaurant commit any violation of law, rule or regulation and/or engage in any act or practice which subjects you and/or us to widespread publicity, ridicule or derision. v. You breach advertising standards and fail to cure within 3 days following written notice. w. You purchase any Proprietary Products, Trademarked Products, Approved Products and Services or any other programs, products or services under a Single Source Approved Suppliercontract we negotiate, and you use, divert, sell or otherwise exploit them for the benefit of any other individual, entity or business.

Provision	Section in Franchise Agreement	Summary
		x. You operate your Boustan Restaurant in a fashion that, in our business judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate the Franchise Agreement upon notice, but we may direct you to immediately close your Boustan Restaurant(s); you must immediately comply with our direction; and, you must hold us harmless from and against any claims relating to our direction to close your Boustan Restaurant(s). y. You use our Confidential Information and/or Proprietary Marks in a way not specifically authorized, or you directly or indirectly utilize or devote same for the benefit of any individual or entity other than your Boustan Restaurant. z. You engage in any act or conduct, or fail to engage in any act or conduct, which under the Franchise Agreement specifically authorizes us to terminate the Franchise Agreement immediately upon notice to you. aa. You default under any agreement between you and any lessor or sublessor of your Restaurant Location and you do not cure the default within the period specified in the Restaurant Location's Lease
i. Your obligations on termination/nonrenewal	Article 18	a. Pay all money owing to us or our affiliates, and third parties. b. Stop using our Proprietary Marks, Confidential Information, trade secrets and Manual. c. Cancel assumed name or equivalent registration which contains "Boustan", or any other Proprietary Marks of ours, or any variant, within 15 days. d. If we terminate the Franchise Agreement for your default or you terminate through failure to make payment following notice to cure (see section d. above), pay us all expenses and damages incurred as a result of your default or termination. Damages may include, for example, lost profits, lost opportunities, damage to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a new Boustan Restaurant for the area. e. If we request, assign us your interest in the Restaurant Location lease and vacate promptly. f. Immediately deliver to us all confidential information, manuals, computer software and database material, customer lists, records and files, forms, advertising and promotional material, signs and related items which bear our Proprietary Marks. g. Immediately sign agreements necessary for termination. h. At our option, either change the telephone numbers listed in directories under the name "Boustan" or any confusingly similar name or transfer such telephone numbers to us. i. Strictly comply with the post-termination/post-expiration covenants not to compete. j. Continue to abide by restrictions on the use of our Confidential Information, trade secrets and know-how. k. Immediately surrender to us all computer software, data storage disks or tapes and other electronic media used in the operation of the Boustan Restaurant, printouts, and other information pertaining to computer operations, codes, procedures and programming. l. If we choose not to take over the Restaurant Location, redecorate and remodel it to deidentify it. If we terminate for cause, we can take possession of the Boustan Restaurant. If you

Provision	Section in Franchise Agreement	Summary
		dispute the termination, then we can operate the Boustan Restaurant until the final court determination. If the court decides the termination was not valid, we must make a complete accounting for the period when we operated the Boustan Restaurant.
j. Assignment of contract by us	Section 14.01	We will have the right to assign all of our rights and privileges under the Franchise Agreement to any person or business entity. We may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network. (See Franchise Agreement)
k. "Transfer" by you – definition	Section 14.02	Any assignment, transfer, subfranchising, sublicensing, sale, redemption or division of the Franchise Agreement, Boustan Restaurant or any interest in them or a business entity franchisee.
l. Our approval of transfer by you	Section 14.02, 14.03	No transfer without our consent except as provided in Franchise Agreement (for example, transfer to a business entity you form for convenience.).
m. Conditions for our approval of transfer	Section 14.04	a. The person to whom you propose to transfer (the "transferee") must apply to us for acceptance. b. Transferee must come to personal interview, or we may meet with transferee at his, her or its business or residence, and if we do you must reimburse us for our travel, lodging, meal and personal expenses. c. Transferee (or, if a business entity, the principals of the proposed transferee) must demonstrate the skills, qualifications, ethics, moral values and economic resources. necessary, in our reasonable judgment, to operate the Boustan Restaurant and to fulfill obligations to you. d. Transferee and his/her/its proposed Operating Principal and Restaurant Manager must attend and successfully complete Initial Training Program before assignment (and other training if we wish), at transferee's expense. e. The landlord of the Restaurant Location must consent in writing to the assignment of lease. f. You must have cured any existing defaults, fully comply with all obligations to us and satisfy your outstanding monetary obligations to third parties. g. Transferee must sign new Franchise Agreement (but need not pay another Initial Franchise Fee). The term of the new Franchise Agreement will be the balance of your Franchise Agreement. h. Transferee must have acquired, or will be able to immediately acquire following the signing of the new Franchise Agreement, all permits, licenses and other authorizations legally necessary to operate the Boustan Restaurant. i. The Total Sales Price may not be so excessive, in our determination, that it jeopardizes the continued economic viability and future operations of the Boustan Restaurant and/or the transferee. See Franchise Agreement for definition of "Total Sales Price." j. If transferee is a business entity, owners must sign guarantees and confidentiality/ non-competition agreements. k. You and your owners must sign a general release. l. If the transferee is a business entity, all of the requirements of its new Franchise Agreement concerning business entities must be complied with before we sign the new Franchise Agreement and must continue to be complied with. m. You must give us copies of the proposed assignment contract and signed assignment contract.

Provision	Section in Franchise Agreement	Summary
		n. The transferee, at its expense, must upgrade the Boustan Restaurant to conform with then-current standards and specifications within the time we reasonably specify. o. You must pay us a transfer fee of equal to 50% of our then-current initial franchise fee in addition to any costs we incur in connection with reviewing the transfer.
n. Our right of first refusal to purchase your business	Section 14.06	We can match any offer for your Boustan Restaurant.
o. Our option to purchase your business	Section 19.01	We have the option to buy your Boustan Restaurant's assets upon termination or expiration.
p. Your death or disability	Section 14.05	On your death or disability (if you are an individual) or the death or disability of your last surviving owner (if you are a business entity) your rights pass to your "Estate". Your Estate will have a reasonable period of time (not to exceed 6 months) following such death or disability to assign your interest in your franchisee business entity or Boustan Restaurant (as applicable) in accordance with Section 15.04 of the Franchise Agreement. Until such assignment is consummated, your Estate may continue operating the Boustan Restaurant if, at all times, one or more approved Operating Principals and Restaurant Managers, as necessary, of your Boustan Restaurant are supervising the operation of your Boustan Restaurant. If your Estate fails to have one or more approved Operating Principals and Restaurant Managers, as necessary, supervising the operation of your Boustan Restaurant on a full time basis, then we may assume full control of and operate your Boustan Restaurant until the Estate retains one or more approved Operating Principal and Restaurant Manager, but will have no obligation to do so. If we assume operation of your Boustan Restaurant, then during this period, we will deduct our expenses for travel, lodging, meals and all other expenses and fees from your Boustan Restaurant's Gross Revenues and also pay ourselves a management fee equal to the greater of: (i) two times the salary paid to the individual(s) assigned by us to operate your Boustan Restaurant, or (ii) 10% of your Boustan Restaurant's monthly Gross Revenues. This management fee will be in addition to the Royalties due us under the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 12.02	No involvement in competing business anywhere in U.S.
r. Non-competition covenants after the franchise is terminated or expires	Section 12.02	No competing business for 2 years within 10 miles of the perimeter of your Restaurant Location, or within 10 miles of any other franchised or company-owned Boustan Restaurant.
s. Modification of the agreement	Sections 7.01, 25.01	No oral modifications generally, but we may change the Manual. Any Manual change will not conflict with or materially alter your rights and obligations under the Franchise Agreement.
t. Integration/merger clause	Section 24.01	Only the terms of the Franchise Agreement, the Exhibits to the Franchise Agreement and all agreements signed with it are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	N/A	No provision for arbitration or mediation.
v. Choice of forum	Section 30.04	Litigation must be at a state or federal district court of competent jurisdiction in the state, county and judicial district in which our principal place of business is then located, subject to state law.
w. Choice of law	Section 30.03	New York law applies, subject to state law.

See the state addenda to the Franchise Agreement and disclosure document for special state disclosures.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Emad Saad at 1-833-268-7826, Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years May 31, 2022 to May 31, 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

Table No. 2
Transfers of Franchised Outlets from Franchisees
to New Owners (other than the Franchisor)
For Years May 31, 2022 to May 31, 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

Table No. 3
Status of Franchised Outlets
For Years May 31, 2022 to May 31, 2024*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina tions	Column 6 Non- Renewal s	Column 7 Reacquir ed by Franchis or	Column 8 Ceased Opera tions - Other Reasons	Column 9 Outlets at End of the Year
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets
For Years May 31, 2022 to May 31, 2024*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 5
Projected Openings as of May 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company- Owned Outlet in the Next Fiscal Year
Florida	0	2***	0
New Jersey	1	2	0
All Other States	0	0	0
Total	1	4	0

A list of the names of all unit franchisees and their addresses and telephone numbers as of May 31, 2024 is as follows:

BMTL NJ 001 LLC**
901 Hoover Drive
North Brunswick, New Jersey 08902
+1 (732) 895-3414

A list of the names of all unit franchisees and their addresses and telephone numbers between May 31, 2024 and the Issuance Date of this Disclosure Document is as follows:

BRMN, LLC
2209 SW 37th Avenue
Coral Gables, Florida
Tel: TBD

BLGOPI, LLC
5300 East Bay Dr., Suite 300,
Clearwater, FL 33764
Tel: TBD

During the most recently completed fiscal year, we did not terminate, cancel or not renew the franchise of any United States franchisee in any state and no franchisee transferred his franchise. There is no United States franchisee in any state who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

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

There are currently no trademark-specific franchisee organizations associated with the franchise system.

** This franchisee obtained unit franchise rights through execution of a master franchise agreement.

***These franchised outlets are/will be operated pursuant to franchise agreements entered into under a joint venture between our corporate affiliate and third-parties.

ITEM 21
FINANCIAL STATEMENTS

We were formed in July, 2019. Our fiscal year end is May 31st. Our audited financial statements for the years ended May 31, 2024, 2023 and 2022 are in Exhibit B.

ITEM 22
CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included as exhibits to this Disclosure Document. These include our Franchise Agreement and all exhibits to it, including the following: Restaurant Location; Proprietary Marks; Required Provisions for Lease Rider; Confidentiality/Non-Competition Agreement; Guarantee; Security Interest Agreement; Acknowledgement Addendum; and State Addenda.

ITEM 23
RECEIPTS

You will find copies of a detachable receipt in Exhibit H at the very end of this disclosure document.

EXHIBIT A
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT



NAME OF FRANCHISEE:

ADDRESS OF FRANCHISED BUSINESS:

AGREEMENT DATE:

FRANCHISE NUMBER:

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- B PROPRIETARY MARKS**
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BOUSTAN FRANCHISE USA CORP.

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is entered into and effective as of this _____ day of _____, _____ (the "Effective Date"), by and between BOUSTAN FRANCHISE USA CORP., a Delaware corporation with its principal office at 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada ("we," "us," "our" or "Franchisor") and _____ whose principal address is _____ ("you," "your" or "Franchisee").

1. PURPOSE AND SCOPE OF THIS AGREEMENT

1.01 The Boustan Restaurant, System and Proprietary Marks

We and/or our affiliates have developed a proprietary system (the "System") for opening and operating Boustan restaurants (each, a "Boustan Restaurant"), which are quick serve restaurant businesses specializing in the offer and sale of Mediterranean cuisine (including shawarma chicken, shawarma beef and falafel, in the form of plates, pitas and trios) and related programs, products and services. The System makes use of the trademark, service mark and fictitious business name "Boustan" and certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property (collectively, the "Proprietary Marks"), which we will designate as licensed to you in this Agreement, Exhibit B hereto, our Manual (as described below) and/or otherwise.

2. GRANT OF FRANCHISE AND LICENSE

2.01 Grant of Franchise and Licenses

We grant you, and you accept, the right to use the Proprietary Marks and the System in connection with establishing and operating a Boustan Restaurant. You agree to use the Proprietary Marks and System as we may change, improve, modify or further develop them from time to time as provided in this Agreement, and only in accordance with the terms and conditions of this Agreement and any related agreements.

3. TERRITORY

3.01 Restaurant Location & Territory

Under this Agreement, you may establish only one Boustan Restaurant under this Agreement. Your right to operate a Boustan Restaurant is restricted to the location designated on Exhibit A (the "Restaurant Location"). You shall be granted a protected territory consisting of the geographic area surrounding your Restaurant Location as described in Exhibit A (the "Territory").

3.02 Our Restrictions

Within the Territory, neither we nor any affiliate (meaning any individual or entity we control, which controls us, or which is under common control with us, together our "affiliates") will operate or grant a franchise for a Boustan Restaurant of the type franchised to you hereunder, except as provided in Section 3.04 ("Rights We Reserve"). These restrictions will terminate immediately upon the expiration or termination of this Agreement for any reason.

Outside of the Territory, we and/or our affiliates reserve the right to operate any number of Boustan Restaurants and businesses, and/or authorize others to operate same, at any location whatsoever, including one or more locations that may be immediately proximate to, but not within, the Territory.

3.03 Your Restrictions

Your Boustan Restaurant may only offer and sell its programs, products and services in, at and from your Boustan Restaurant at the Restaurant Location. Under no circumstance may your Boustan Restaurant establish any physical presence, apart from your Restaurant Location, at or from which System programs, products or services are sold or furnished. Nor may your Boustan Restaurant offer or sell its programs, products or services anywhere, through any means or manner, including alternative channels of distribution, such as the internet/worldwide web/virtual platforms (including without limitation the metaverse) or other forms of electronic commerce; engage in cryptocurrency, non-fungible token (NFTs) and other blockchain promotions; supermarkets, grocery stores or convenience stores; ghost kitchens, cloud kitchens and other delivery-only concepts; mail order; catalogs; or, any other distribution channel whatsoever, except from your Boustan Restaurant located at your Restaurant Location. Under no circumstances may your Boustan

Restaurant offer delivery or catering of System menu items or products except as we may (but need not) authorize in writing.

You may only engage in the retail sale of System programs, products and services. You are prohibited from engaging in the wholesale sale or distribution of any System products or services or any component or ingredient of any of the foregoing which now or in the future constitutes part of the System. “Retail sale” means any sale by you directly to an ultimate consumer. “Wholesale sale or distribution” means any sale or distribution by you to a third party for resale, retail sale, or further distribution. “Component” means any constituent part, ingredient, element, segment or derivative.

3.04 Rights We Reserve

You understand and agree that we and/or our affiliates may engage in any business activity and deploy any business concept whatsoever, and use our Proprietary Marks or any other names or marks owned or developed by us or our affiliates in connection with any concepts and business activities, anywhere (including proximate to your Restaurant Location). You further understand and agree that this Agreement does not confer upon you any right to participate in or benefit from such other concepts or business activities, regardless of whether they are conducted under the Proprietary Marks. Our and our affiliates’ rights to engage in other business activities are specifically reserved and may not be qualified or diminished in any way by implication. We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of program, product or service, including businesses utilizing the System or derivations of the System.

By way of example, we and/or our affiliates may own, operate or authorize others to own or operate any type of business at any location whatsoever, including within your Territory, so long as such other business does not sell under identical Proprietary Marks, the identical type of programs, products or services which your Boustan Restaurant offers and sells (except as permitted below). Further, we and/or our affiliates may own, operate or authorize others to own or operate Boustan Restaurants at any location outside of your Territory, including immediately proximate to your Territory.

In addition, you understand and agree that we and/or our affiliates alone have the right to offer and sell within and outside your Territory, and under the Proprietary Marks or otherwise, any and all System programs, products or services and/or their components or ingredients (including those used or sold by your Boustan Restaurant), at wholesale or retail, through any alternative method of distribution including, without limitation, such alternative channels of distribution as the internet/worldwide web/virtual platforms (including without limitation the metaverse); any other form of electronic commerce; engage in cryptocurrency, non-fungible token (NFTs) and other blockchain promotions; supermarkets, grocery stores and convenience stores; ghost kitchens, cloud kitchens and other delivery-only concepts; mail order; catalogs; television sales (including “infomercials”); or, any other channel of distribution whatsoever except for a Boustan Restaurant of the same type franchised to you hereunder, in your Territory. You will receive no compensation for our or our affiliates’ sales through alternative distribution channels.

You also understand and agree that we and/or our affiliates alone have the right to offer and sell (directly, or through other franchisees or licensees) System programs, products and services at any and all nontraditional locations, including nontraditional locations situated proximate to your Restaurant Location, through the establishment of traditional Boustan Restaurants, limited service Boustan Restaurants, kiosks, mobile units/food trucks or other alternative formats (whether operating under the Proprietary Marks or otherwise), and that, by contrast, you are precluded in engaging in any such activity. “Nontraditional locations” include sports arenas and venues; food retailers (including supermarkets, grocery stores and convenience stores); malls and mall food courts; resorts; cruise ships; airports; schools and universities; hospital and healthcare facilities; guest lodging facilities; car and truck rest stops and travel centers; educational facilities; zoos, convention centers, recreational theme parks and amusement parks; Indian reservations; casinos; business or industrial foodservice venues; ghost kitchens, delivery-only restaurants, virtual kitchens, shadow kitchens, commissary kitchens, cloud kitchens, or dark kitchens; government facilities; the premises of any third party retailer; gas stations or toll road service areas; military bases and installations; and, any other location or

venue to which access to the general public is restricted. You will receive no compensation for our or our affiliates' sales at nontraditional locations.

You further agree that, both within and outside the Territory, we and/or our affiliates alone have the right to sell System programs, products and services to national, regional and institutional accounts. "National, regional and institutional accounts" are organizational or institutional customers whose presence is not confined to your Territory, including (by way of example only): business entities with offices or branches situated both inside and outside of your Territory; sports leagues or divisions; government agencies, branches or facilities; guest lodging networks; healthcare networks; the military; and, any other customer whose presence is not confined to your Territory. Only we will have the right to enter into contracts with national, regional and/or institutional accounts (which may include facilities within your Territory). If we receive orders for any System programs, products or services calling for delivery or performance in your Territory as a result of our engaging in commerce with national, regional and institutional accounts, then we will have the right, but not the obligation, either to require you to fulfill such orders at the price we agree on with the customer or to give you the opportunity to fulfill such orders at the price we agree on with the customer. If we give you the opportunity to fulfill such orders and if, for any reason, you do not desire to or cannot serve the customer, or if the customer desires for any or no reason to deal exclusively with us, our affiliate or another franchisee and not with you, then we, our affiliate or any other one of our franchisees may serve the customer within your Territory, and you will not be entitled to any compensation.

You also agree that we may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and following such activity we may operate, franchise or license those other businesses and/or facilities under the Proprietary Marks outside of your Territory, or under any names or marks other than the Proprietary marks, within your Territory.

You waive and release any claims, demands or damages arising from or related to any of the above activities and promise never to begin or join in any legal action or proceeding, or register a complaint with any governmental entity, directly or indirectly contending otherwise.

For the purposes of this Agreement, an "affiliate" of an individual or business entity (such as you or us) is defined to mean any individual or business entity which directly or indirectly is controlled by, controls or is under common control with that individual or business entity.

4. TERM AND RENEWAL

4.01 Initial Term

Unless sooner terminated in accordance with its provisions, the initial term ("Initial Term") of this Agreement begins on the Effective Date and ends 10 years following the sooner of: (i) the date your Bousthan Restaurant opens for business, or (ii) the "Opening Deadline" set forth in Section 8.01 below.

4.02 Renewal Terms and Renewal Franchise Agreements

You will have the right to enter into 2 consecutive Renewal Franchise Agreements, each featuring a term of 5 years (a "Renewal Term") if you have complied with the conditions and procedures for renewal specified in Article 13 below. The first Renewal Term will begin on the date that the Initial Term expires and each succeeding Renewal Term will begin on the date that the previous Renewal Term expires. The first Renewal Franchise Agreement will supersede this Agreement and each subsequent Renewal Franchise Agreement will supersede the preceding Renewal Franchise Agreement. Renewal Franchise Agreements will not take the form of an extension of this Agreement; but, instead, will each take the form of our then-current franchise agreement and may materially vary from this Agreement in all respects, except that no "initial franchise fee" will apply to you; the limited renewal rights identified in this Agreement will be incorporated (as applicable); the term of each Renewal Franchise Agreement will be 5 years; and, the Royalty on renewal will not be greater than the Royalty that we then impose on similarly situated renewing franchisees.

5. YOUR PAYMENTS TO US

5.01 Initial Franchise Fee

You agree to pay us an Initial Franchise Fee of \$40,000 when you sign this Agreement. The Initial Franchise Fee is not refundable except as specifically provided in this Agreement and will be deemed fully earned when paid solely in consideration of our execution of this Agreement and not in exchange for any particular programs, products, services or assistance.

5.02 Royalty

You agree to pay us a weekly Royalty equal to 5% of your Boustan Restaurant's previous week's Gross Revenues, as defined in Section 5.05. The Royalty is solely in consideration of our granting you the franchise conferred by this Agreement and is not in exchange for any particular goods, services or assistance we may furnish you.

5.03 Worldwide System Brand Fund Contribution

You agree to pay us a weekly Worldwide System Brand Fund Contribution ("Worldwide Fund Contribution") equal to 2% of your Boustan Restaurant's prior week's Gross Revenues (as defined in Section 5.05). Worldwide Fund Contributions will be expended as provided for in Section 10.01 below.

5.04 Technology Fee

You agree to pay us a weekly technology fee upon notice in an amount we determine, but not to exceed \$500 per month ("Technology Fee"). The Technology Fee is not paid to us in exchange for any particular goods, services or assistance we may furnish you.

5.05 Definition of Gross Revenues

"Gross Revenues" means all revenues and income from any source that you directly or indirectly derive or receive from, through, by or on account of the operation of your Boustan Restaurant, whether received in cash, in services, in kind, from barter and/or exchange (valued at the full retail value of the goods or services received), on credit (whether or not you ultimately receive payment on credit transactions), or otherwise. Gross Revenues specifically includes revenues and income you receive from the proceeds of any business interruption insurance policies and/or the sale of any promotional or premium items. You may deduct from Gross Revenues, to the extent they had been included in your calculation of Gross Revenues, documented refunds, charge backs, credits and allowances that you give in good faith to customers; proceeds from property damage or liability insurance; and proceeds from any civil forfeiture, condemnation, or seizure by government entities. Notwithstanding the foregoing, in the event that any such credits, allowances, adjustments or uncollectible amounts excluded from your Gross Revenues exceeds 0.5% of your Gross Revenues for any fiscal year, subsequent collections of such amounts must be included in Gross Sales when they are collected. You may also deduct from Gross Revenues all sales taxes or similar taxes which you legally charge to customers if you add the taxes when you charge the customer; send the tax payments to the appropriate tax authorities when due; furnish us within 30 days of payment an official receipt for the payment of the taxes or any other evidence that we reasonably consider acceptable; and, state in the weekly report required by Section 5.06 of this Agreement the amount of all these taxes and the payments to which they relate. Gross Revenues are not to be reduced by the amount of any discounts you grant to employees, family members or other locations owned or controlled by you. Also, for the avoidance of doubt, if you are granted the right to conduct delivery and/or catering, you may not deduct the fees charged to you by any such third-party delivery and/or catering provider/platform from your calculation of Gross Revenues.

5.06 Reporting and Payment

A. You agree to submit a weekly report to us for our receipt on or before Monday of each week for the period ending on the close of business the immediately preceding Sunday, or at any other time and/or any other period as we may prescribe from time to time. The weekly report will consist of a statement reporting all Gross Revenues for the preceding week and your calculation of the Royalty and Worldwide Fund Contribution due during such period, all in the manner and form we prescribe. You must manually or electronically sign the weekly report as we direct. We reserve the right to require you to file your weekly reports electronically or through any now or hereafter developed modes of communication and/or data transmission that we designate. You also agree to furnish to us any other financial or non-financial data that

we request concerning the activity of your Boustan Restaurant in the form, manner and frequency that we request it, including but not limited to the total sales and statistics (i.e., revenue, cost of goods sold, labor costs, number of customers, customer information, and all of the aforementioned statistics organized by category of day and customer type).

B. By Electronic Funds Transfer, on or before Wednesday of each week, you agree to pay us the Royalty, Technology Fee and Worldwide Fund Contribution due for the immediately preceding calendar week (which week shall end each Sunday at 12 midnight).

C. We reserve the right to require the transmission of these and any other payments required under this Agreement by direct account debit, electronic funds transfer or other similar technology now or hereafter developed to accomplish the same purpose. We currently require you to make payments by electronic funds transfer. You agree to pay all costs of electronic funds transfer (or, if we later designate, direct account debit or other similar technology). You must sign whatever documents are necessary to effect payment by electronic funds transfer. You agree to deposit and maintain at all times sufficient funds to cover all fees and payments you owe to us and our affiliates in a segregated bank account (the "Bank Account") that you form and maintain for the Boustan Restaurant. The Bank Account must have the capacity to make payments through the means we designate, and you must sign all documents required by your bank, our bank and us or for approval and implementation of the debit or transfer process. You may not change the Bank Account without our advance written approval. You understand, acknowledge and agree that we may, at any time, automatically collect from the Bank Account any amount due to us or our affiliates. If, when we debit your bank account for the Royalty, Technology Fee or Worldwide Fund Contributions, you have insufficient funds in your Bank Account, you will have to pay the actual bank fees charged by your bank plus pay us a fee of \$45. Moreover, in the event that you fail to forward to us the reports provided herein on or before the dates set forth herein and in the manner prescribed herein or in the Manual, you hereby authorize us to make such withdrawals based on information provided verbally to us concerning the Gross Revenues of the Boustan Restaurant or, in the absence of such information, we may make a reasonable estimate of the Gross Revenues. If we make any withdrawal on the basis of verbal information or our estimate, we will make an adjustment within thirty (30) days after our receipt of the reports and other documents establishing the Gross Revenue that you transmit to us, as described herein.

D. You agree to pay us or our affiliates interest on any overdue amounts owed to us or our affiliates (under this or any other agreement) at the maximum interest rate permitted by law. If there is no applicable legal maximum rate, interest will be calculated at the rate of 1.5% per month, which shall begin to accrue on the date the past due amount was due and continues until the past due amount is paid in full. This provision does not constitute consent to late payments or an agreement to extend credit. If you are delinquent in any required payment, we or our affiliate may apply any payment from you to any obligation due in whatever order and for whatever purposes as we determine, whether or not there is any contrary designation by you. You may not withhold, set-off or recoup payment of any amount due on the grounds of the alleged non-performance or breach of any of our or our affiliates' obligations under this or any other agreement.

E. In addition to all other payments under this Agreement, you agree to pay us or our affiliates immediately upon demand: (a) all sales taxes, trademark license taxes and any other taxes, imposed on, required to be collected, or paid by us or our affiliates (excluding any corporate income taxes imposed on us or our affiliates) because we or our affiliates have furnished programs, services or services to you, collected any fee from you, licensed our Proprietary Marks to you and/or entered into this Agreement with you; (b) all amounts we advance, pay or become obligated to pay on your behalf for any reason; and, (c) any amount to reimburse us for costs and commissions paid or due to a collection agency or in connection with other collection efforts; and (d) all amounts you owe us or our affiliates for programs, products or services that you purchase from us or our affiliates.

5.07 Currency of Payment.

All payments required to be made by you under this Agreement will be made in United States dollars. All references to \$ or dollars in this Agreement are to be interpreted as references to United States dollars. All payments that are calculated in the currency of the country in which your Restaurant is located

then converted into dollars will be converted at the “New York Closing Snapshot” rate published in The Wall Street Journal or, in our discretion, the rate announced by other international lending institutions as we may periodically designate, in either case as of the business day immediately preceding the date such payment was due. If, however, a payment is transmitted after the date such payment was due, the currency exchange rate used will be the rate as of the date due or the rate as of the date the payment is transmitted, whichever rate produces the larger amount in dollars. All costs, charges and expenses, including bank and currency conversions charges, incurred in association with payments by you under this Agreement shall be borne by you.

5.08 Exchange Controls.

You will use your best efforts to obtain any consents or authorizations which may be necessary in order to permit timely payments of all amounts payable under this Agreement in dollars. If any jurisdiction restricts or prohibits the purchase of dollars or the transfer to or credit of a non-resident party with payments in such currency, you will immediately notify us. While such restrictions are in effect, we may require payment in any other currency that is available to you or, at our option, may require you to deposit all amounts due but unpaid as a result of such a restriction in any type of account in any bank or institution in the country in which your Restaurant is located or elsewhere. We will be entitled to all interest earned on such deposits. In the event such restrictions prevent your payment of amounts due hereunder in dollars for 12 consecutive months or more, we may, at our sole and exclusive option and on notice to you, terminate this Agreement. We will provide you with reasonable written notice of such termination. This notice may be provided prior to expiry of the abovementioned 12 month period in which case termination will be conditional on the relevant restrictions continuing for at least that 12 month period and will be effective on the date set out in the notice which may be any date we determine which is on or after the expiry of that 12 month period.

5.09 Withholding Taxes.

You are responsible for the payment (directly or by reimbursing us) of all taxes imposed on fees or other amounts paid by you to us by any governmental agency (other than taxing authorities at any local, state or federal level of the United States), having the right to impose the tax, and will deduct or withhold the taxes from any payments to us. The parties agree to use their mutual best efforts to secure any applicable exemption from or reduced rate of withholding tax under laws of the country in which your Restaurant is located or any applicable tax treaty with respect to any payments under this Agreement, and to provide the other party or governmental agency such information or tax forms as required to secure any such exemption from or reduced withholding rate of tax. If any tax is lawfully imposed by, or required by law to be paid to, any governmental agency (by withholding or otherwise) with respect to any amount payable to us, you will (i) withhold said tax and transmit the withheld amount to the applicable governmental agency in a timely manner, (ii) properly file the required forms, and (iii) provide us with tax receipts for the payments and true copies of the forms filed. For the avoidance of doubt, you are independently responsible for paying or bearing any taxes and we are entitled to receive the full amount due of all amounts or fees to which we are entitled under this Agreement if you do not comply with the foregoing obligations. By way of example, if an amount of \$100 is due to us from you under this Agreement, and a withholding tax of 15% is imposed on such payment of \$100 by a governmental agency, you are required to deduct the 15% withholding tax; so, we will actually receive \$85. You are responsible for and must indemnify us and hold us, our directors, officers, agents and employees harmless against any penalties, interest or expenses incurred by or assessed against us as a result of a failure to withhold such taxes or timely remit them to the appropriate taxing authority. If you are obliged to indemnify us under this Section, you will “gross up” the amounts or fees from which any tax has been withheld or paid such that we receive the full, unreduced amounts or fees due under this Agreement as if such amounts or fees had not been subject to the tax with respect to such indemnification payment. You agree to cooperate fully and promptly with us to provide any information or records we request in connection with any application by us to any taxing authority or any information request or tax audit from a taxing authority with respect to you or the Restaurant developed pursuant to this Agreement. Notwithstanding the foregoing, if we are not able to receive full foreign tax credit against our U.S. or foreign income tax liability for the applicable year that is equal to the amount of the corresponding withholding taxes imposed on the payments to us, then we shall be entitled to invoice you for the difference not allowed to be credited (the

“Tax Reimbursement”), which you must pay within thirty (30) days after the date of such invoice. The Tax Reimbursement shall be exclusive of any taxes. If you are required to deduct or withhold any taxes from any Tax Reimbursement, then the amount payable shall be increased by such amount as is necessary to make the actual amount received (after such taxes) and after any additional taxes on account of such additional payment equal to the invoiced amount. You acknowledge and agree that we shall have complete discretion in preparing for their tax returns, including pursuing any foreign tax credits.

If we are required to refund to you any amounts paid under this Agreement, we will not be required to refund that portion of those amounts which were withheld by you in order to comply with any applicable tax law unless and until we receive a refund of such amounts from the applicable government or agency thereof or utilize a foreign tax credit which is directly attributable to such amounts on its United States federal income tax return which is accepted by the United States Treasury or with respect to which the period within which such credit may be reduced or disallowed has expired.

6. SITE SELECTION, CONSTRUCTION, TRADE DRESS AND LEASE REQUIREMENTS

6.01 Restaurant Location

A. You may operate your Boustan Restaurant only from your Restaurant Location. You may use the Restaurant Location for no other purpose than the operation of the Boustan Restaurant.

B. If you have suggested a Restaurant Location which we have approved before the execution of this Agreement, then the address of that Restaurant Location will be set forth on Exhibit A to this Agreement. If you have not suggested a Restaurant Location which we have approved before the execution of this Agreement, then the following provisions will apply:

You agree to use your best efforts to find an acceptable Restaurant Location. You must comply with all of our System specifications, requirements and restrictions. If you request, or we propose, that we conduct on-site visits to review potential sites for your Boustan Restaurant, you will be required to pay us a fee of \$1,500 per additional visit and reimburse us for all travel, lodging, living and other expenses incurred in connection therewith. The Restaurant Location you select will be subject to our advance written approval, and our determination will be final. We may require you to submit maps, completed checklists, photographs, copies of proposed leases, diagrams of the premises with measurements, and other information and materials which we may reasonably require to evaluate your proposed Restaurant Location.

It is of the essence of this Agreement that you select a Restaurant Location, identify it to us, obtain our advance written approval and sign a lease approved by us (or provide proof of ownership) for your Restaurant Location within 120 days following the date of our execution of this Agreement. If you intend to own the Restaurant Location, then you agree to furnish to us proof of ownership or an executed contract of sale within 30 days following our approval of the Restaurant Location. If you do not secure a Restaurant Location within the time limits and following the procedures specified in this Section 6.01, then this failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

If you do not sign an approved lease for a Restaurant Location within 120 days following the Effective Date, then either you or we can terminate this Agreement. In such an event, you agree to sign our then-current standard form of General Release running in favor of us as well as to sign all other documents as we may require to fully terminate all agreements between you and we covered by this Agreement. If we terminate the Agreement for this reason, all funds you paid us will be considered earned by us, except that - - once you have complied with the foregoing - - we will return to you the Initial Franchise Fee which you paid to acquire the franchise with the exception of a sum of five thousand dollars (\$5,000.00) which we will keep to cover the costs we incurred until then, the whole without any further rights or recourse of any nature whatsoever available to you, it being understood that we will not be held responsible for any loss, damage, costs and expenses of any nature whatsoever, incurred by you and/or your trainees.

You acknowledge and agree that any advice we furnish regarding site selection and our proposal, inspection and/or approval of any proposed site for your Restaurant Location will not constitute, and will not be deemed to constitute, our express or implied representation, warranty, guarantee or any other indication of the

prospective profitability, viability or merit of the Restaurant Location, and you hereby forever waive any claim to the contrary.

6.02 Location Lease

If you will be leasing the Restaurant Location, then promptly following our written approval of your proposed Restaurant Location, you agree to obtain a lease or sublease for the Restaurant Location which, unless we otherwise approve the lease in advance, must be accompanied by a rider incorporating the requirements specified in Exhibit C to this Agreement. You agree to deliver to us a copy of any proposed lease or sublease and any related documents (collectively, the "Lease") before you execute the Lease. Any Lease will be subject to our advance written approval, which we will not unreasonably withhold or delay, provided, however, that we expressly reserve the right to disapprove any Lease not accompanied by a rider embracing all of the provisions of Exhibit C. If we do not communicate our approval or disapproval of a proposed Lease to you within 20 business days following our receipt of the proposed Lease, and if the Lease is accompanied by a rider containing the required provisions of Exhibit C, then the Lease will be considered approved.

You may not, in any Lease, create any obligations or grant any rights against us or our affiliates or agree to any term, condition or covenant which is inconsistent with this Agreement or any related agreement. You also acknowledge and agree that you are bound by the terms, conditions, covenants and obligations of the Lease and that your failure to comply with the Lease will constitute a material breach of this Agreement. You may not assign, transfer or encumber your Lease or sublet all or any part of the Restaurant Location without our advance written approval.

6.03 Construction of Your Boustan Restaurant

After acquiring the Restaurant Location by Lease or purchase, you shall at your expense construct your Boustan Restaurant or, if applicable, convert the existing premises at the Restaurant Location to become your Boustan Restaurant, in conformity with the final plans and specifications which we have approved (as provided in Section 6.04). At your expense and prior to commencing construction of your Boustan Restaurant, you must obtain all necessary permits, licenses, variances and approvals pertaining to the building, occupancy, signs, utilities, zoning, use, and any other permits, approvals or variances which are necessary to permit the construction and use of a Boustan Restaurant as may be required by federal, state and local laws, rules, regulations or ordinances. You shall certify to us in writing that all such permits, licenses, variances and approvals have been obtained.

You must engage a qualified, licensed and bonded general contractor to construct your Boustan Restaurant and to complete all improvements. You must obtain and maintain in force during the entire period of construction the insurance required under Section 9.01 of this Agreement. Your indemnification of us, our affiliates and all others specified in Section 8.13 below applies to each and every activity arising from or related to the construction of your Boustan Restaurant. During the construction and build-out process, we may (but need not) conduct one on-site visit to your Restaurant Location to offer our assistance and guidance. You understand and agree, and promise never to contend or assert otherwise, that neither our approval of your final plans for your Boustan Restaurant nor any on-site visits to your Restaurant Location renders us liable for any defects, neglects, omissions, errors or negligence associated with such plans or construction process and shall not in any fashion be construed to diminish or negate your indemnification of us, our affiliates and the others referenced in Section 8.13 below nor render us liable in any fashion or to any extent for any liabilities engendered thereby.

You must use your best efforts to complete the construction or conversion of your Boustan Restaurant promptly. You must provide us with comprehensive information regarding all phases of the development process as we may require, such as weekly progress reports during conversion, in the format we designate. This information will include (without limitation and as applicable) the names, addresses and telephone numbers of your architect, civil engineer, surveyor, general contractor, subcontractors, principal vendors and environmental consultant, and the primary contact for each; copies of all permits, licenses, contractor's liability insurance certificates and other similar items required; and, copies of all construction or remodeling contracts and documents, along with originals of all lien waivers and copies of all invoices. These

requirements will also apply to any construction, remodeling, renovation or refurbishing of your Boustan Restaurant at any time after it opens.

We will not be responsible for delays in construction, conversion, remodeling, equipping or decoration or for any loss resulting from your Boustan Restaurant's plans that you furnished to us pursuant to this Section 6.03 before implementing the changes. You hereby grant us access to your Restaurant Location while work is in progress. We may require any reasonable modifications of the construction of your Boustan Restaurant that we consider necessary or desirable in our reasonable business judgment. If you fail to promptly begin the design, construction, equipping and opening of your Boustan Restaurant with due diligence, we may elect to terminate this Agreement immediately upon notice to you. All signs at your Boustan Restaurant must conform to our sign criteria, unless we otherwise consent in writing, for good cause you demonstrate.

When construction is complete and before you open your Boustan Restaurant, your architect and general contractor must provide us with a certificate stating that the as-built plans for your Boustan Restaurant fully comply with the Americans with Disabilities Act (the "ADA"); the architectural guidelines under the ADA; and, all other laws, rules, regulations, codes and ordinances applicable to your Boustan Restaurant and the Restaurant Location, including any requirements set forth in the Lease for the Restaurant Location.

We will have the right, but not the obligation, to conduct a final inspection of your completed Boustan Restaurant before opening. We may require any corrections and modifications we consider reasonable and necessary to bring your Boustan Restaurant into compliance with the approved plans and specifications. Your Boustan Restaurant will not be allowed to open if your Boustan Restaurant does not conform to the approved plans and specifications, including changes thereto that we may approve.

6.04 Specifications and Sources of Supply

We will provide you with a sample layout for the interior of a prototype Boustan Restaurant and a set of typical preliminary plans and specifications for, and approved sources of supply of, your Boustan Restaurant's furniture, fixtures, equipment, signs and/or other trade dress elements. We reserve the right to be (and earn a profit as) an approved source or the only approved source of certain of your Boustan Restaurant's furniture, fixtures, equipment and/or other trade dress elements and to earn a profit from such activity. If we have not specified a source of supply for any such item, then you may purchase that item from any source, so long as the items purchased are in strict accordance with any specifications concerning the item which we have issued in the Manual or otherwise. You must obtain our advance written consent before deviating in any fashion from our specifications.

All signs at your Boustan Restaurant must conform to our sign criteria, unless we otherwise consent in writing for good cause you demonstrate.

The sample layout and preliminary plans we furnish you will not address the requirements of any federal, state or local law, code or regulation, including those of the ADA or similar laws or rules. You alone, working with your architect or engineer (if applicable), are responsible for ensuring that your Boustan Restaurant, as constructed, complies with all applicable laws, rules, regulations, ordinances, building codes, fire codes, permit requirements and the ADA. Further, the sample layout and preliminary plans we furnish you will not contain the requirements of, and may not be used for, construction drawings or other documentation necessary to obtain permits or authorizations to build and/or operate a specific Boustan Restaurant. You agree, at your expense, to employ architects, designers, engineers or others, all as we may specify, necessary to complete, adapt, modify or substitute the layout, plans and specifications.

You must employ a qualified, licensed architect and/or engineer that we specify or, if we do not specify, who is reasonably acceptable to us to prepare preliminary plans and specifications for the site improvement and construction of your Boustan Restaurant (which must be based on the sample layout and preliminary plans we furnish to you). You must submit a complete set of your proposed final plans and specifications to us and obtain our written approval of them before you seek to register them with any governmental or quasi-governmental agency or begin construction of your Boustan Restaurant. Our approval will be based on our assessment of compliance with our standards for Boustan Restaurants. We will not assess compliance with federal, state or local laws, rules or regulations, including the ADA. Your architect must certify to you in

writing that the plans and specifications for your Boustan Restaurant complies with the ADA; the architectural guidelines under the ADA; all applicable federal, state and/or local laws, rules and regulations for accessible facilities; and, all other applicable federal, state or local laws, rules and regulations (including building codes, fire codes and permit requirements). You must furnish us with a copy of this certification prior to opening for business. You agree that any plans and specifications you prepare and submit to us will be irrevocably licensed to us in perpetuity. We, our affiliates and any other franchisees to whom we give these plans and specifications may use them without owing you any compensation or being liable to you in any way.

6.05 Maintaining Your Boustan Restaurant

You shall at all times maintain at your sole expense the interior and exterior of your Boustan Restaurant and the entire Restaurant Location and any other facilities used by your Boustan Restaurant business in first class condition and repair, and in compliance with all applicable laws, rules, regulations and our Manual, except to the extent that we may otherwise expressly agree in writing.

6.06 Refurbishing Your Boustan Restaurant

We have the right to require you once during the Initial Term of this Agreement, at your sole expense, to update, remodel, refurbish, renovate, modify or redesign your Boustan Restaurant so that it reflects our then-current standards. We will provide you notice of any such required update, remodel, refurbish, renovate, modify or redesign your Boustan Restaurant, 90 days after which the required activity must be completed. If any single modification, redesign activity required by us requires you to expend more than \$50,000 to effect the directed activity, then you will have 6 months following your receipt of our notice to comply with our direction. In addition, we will relieve you from our direction if in our sole opinion you will be unable to amortize the additional investment required during the balance of the Initial Term of this Agreement; however, under these circumstances, we may extend the term of this Agreement to allow for a new schedule of amortization, and if we do so you will be required to comply with our direction.

6.07 Relocation of Your Boustan Restaurant

You may not relocate your Boustan Restaurant without first obtaining our written approval for the new location and paying us a fee of \$5,000 or such greater amount necessary to reimburse us for any reasonable costs we incur in considering your request. If you relocate your Boustan Restaurant with our approval subject to the terms of this Section 6.07, the new location will be the "Restaurant Location" of your Boustan Restaurant. Any relocation will be at your expense. All Leases that you enter into, all plans and specifications for your relocated Boustan Restaurant that you adduce and all construction, remodeling, renovation or other such activity that you perform at and for your relocated Boustan Restaurant must be in accordance with all of the provisions of this Article 7 and our then-current Standards (as defined in Section 7.01).

6.08 Time is of the Essence

Subject to the provisions of Article 20 of this Agreement ("Unavoidable Delay or Failure to Perform [Force Majeure]"), time is of the essence with regard to each and every requirement of this Article 6.

7. OUR DUTIES

7.01 Confidential Operating Manual; Policy Statements

We will lend you one copy of our confidential operating manuals (the "Manual"). The Manual may take the form of one or more of the following: one or more loose leaf or bound volumes; bulletins; notices; videos; CD-ROMS; other electronic media; online postings; e-mail and/or electronic communications; facsimiles; or, any other now or hereafter developed medium capable of conveying the Manual's contents.

The Manual will, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications and requirements (the "Standards") for operating your Boustan Restaurant. You agree to operate your Boustan Restaurant in strict compliance with the Manual and our Standards.

We have the right to prescribe additions to, deletions from or revisions of the Manual (the "Supplements to the Manual"), all of which will be considered a part of the Manual. All references to the Manual in this

Agreement will include the Supplements to the Manual. Supplements to the Manual will become binding on you as if originally set forth in the Manual, upon being delivered to you.

You acknowledge that we are the owner of all proprietary rights in the Manual and all intellectual property rights connected therewith (including common law copyright) and that you are acquiring no property or other right to the Manual other than a license to use it and comply with it during the Term of this Agreement. You agree to ensure at all times that your copy of the Manual is current and up-to-date. If there is any dispute as to your compliance with the provisions of the Manual and any Supplements to the Manual, the master copy of the Manual and any Supplements to the Manual maintained at our principal office will control.

In addition to the Manual, we may issue policy statements designed to provide you with information and/or insight as to our current thinking about various business issues or strategies. Policy statements are not part of the Manual, are not contracts and do not create any contractual or other binding obligation on either you or us.

7.02 Initial Training Program

Before you attend the Initial Training Program, you, your Operating Principal and Restaurant Manager must virtually attend and successfully complete our online preliminary training program entitled "Boustan Academy". All requirements that are imposed on you with respect to the Initial Training Program apply with equal respect to Boustan Academy.

After you obtain your Restaurant Location and before the opening of your Boustan Restaurant, you (if an individual), your Operating Principal, and your Restaurant Manager (as defined in Section 8.09) must attend and successfully complete to our satisfaction an approximate 4-week initial training program (the "Initial Training Program"), which will be held at our headquarters in City of St-Laurent, Province of Quebec, Canada, a company-owned and/or franchised Boustan Restaurant in Canada or at another location we choose (which may be in the United States or in Canada) and which we will provide at no additional expense to you (except, as provided below, in instances where you ask us to provide our Initial Training Program for additional or subsequent personnel). We will determine the date of commencement, location and duration of the Initial Training Program and notify you of them. If either you (if an individual), your Operating Principal or your Restaurant Manager have failed to attend or successfully complete our Initial Training Program to our satisfaction, in our business judgment, then we can extend the Initial Training Program (at your cost and expense, but not for any additional fee) for an extra week, or we can permit that person to re-enroll in our next scheduled Initial Training Program at no additional charge. We will have the right to immediately terminate this Agreement if, following your Initial Training Program (including training extension or re-enrollment training, as applicable), we determine that you (if an individual), your Operating Principal and/or your Restaurant Manager has failed to attend or successfully complete our Initial Training Program to our satisfaction, in our business judgment. This failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate, our decision will be final and you agree to indemnify us and the Franchisor Parties (defined in Section 8.13 below) against any claim, suit, liability, loss or expense incurred or presumed to have incurred as a result of this decision. In such event, you agree to sign our then-current standard form of General Release running in favor of us as well as to sign all other documents as we may require to fully terminate all agreements between you and we covered by this Agreement. If we terminate the Agreement for this reason, all funds you paid us will be considered earned by us, except that - - once you have complied with the foregoing - - we will return to you the Initial Franchise Fee which you paid to acquire the franchise with the exception of a sum of five thousand dollars (\$5,000.00) which we will keep to cover the costs we incurred until then, the whole without any further rights or recourse of any nature whatsoever available to you, it being understood that we will not be held responsible for any loss, damage, costs and expenses of any nature whatsoever, incurred by you and/or your trainees.

You must pay an additional charge to us for providing the Initial Training Program to additional or subsequent personnel. This charge will be no greater than \$1,500 per person per week. This training is required of any subsequent Operating Principals and/or Restaurant Managers.

We reserve the right at all of our training programs to determine the duration of such programs, what subjects are included in the curriculum of our training programs and to train any number of individuals from any number of Boustan Restaurants, whether franchised or otherwise affiliated with us, at the same time. Under no circumstance will you be compensated for any work your trainees may perform or services your trainees may render in the course of participating in any of our training programs. We reserve the right to furnish our training programs by means of a company intranet or other electronic means of communication (such as web based tutorials, CD-ROMs, e-mail, video streaming, or through other now or hereafter developed media).

At all times during the Term of this Agreement, you agree to pay all the expenses incurred by your trainees or attendees in connection with any training, conferences, conventions or other meetings they attend, including, but not limited to, their salaries, transportation costs, meals, lodging and other living expenses.

7.03 On-Site Training or Assistance

Upon the opening of your Boustan Restaurant, we will provide you with, at no charge, up to seven days of opening on-site training at your Boustan Restaurant ("Opening Training"). In addition to the Opening Training we agree to provide, you can request additional on-site training and/or assistance at any time in accordance with guidelines we may specify in the Manual or otherwise. We will not be obligated to provide on-site training or assistance, but if we elect to do so, we may impose a fee for each day of on-site training or assistance we agree to provide, and you may be required to reimburse us for the living, transportation and lodging expenses that we incur in connection with same. The timing of all advice, consultation and training provided for in this Agreement will be subject to the availability of our personnel. Furthermore, if we determine (in our sole discretion) to visit, conduct an inspection of, and/or to perform on-site training and assistance as a result of your default under this Agreement, the Manual or otherwise, you will be required to reimburse us for the living, transportation and lodging expenses incurred in connection with same.

7.04 On-Going Training

We may from time to time develop additional training programs which you (if an individual), your Operating Principal and your Restaurant Manager must attend and successfully complete. We will determine the duration, curriculum and location of these future additional training programs. We reserve the right to furnish such programs by means of a company intranet or other electronic means of communication (such as web based tutorials, CD-ROMs, e-mail, video streaming, or through other now or hereafter developed media). We reserve the right to charge our then-current training fees, not to exceed \$10,000 per event, for such programs. You also agree to pay all of the expenses incurred by your trainees or attendees in connection with any additional training programs we develop, including their salaries, travel costs, meals, lodging and other living expenses.

In addition, we may from time to time conduct an annual conference, convention or training session. We will determine the duration, curriculum and location of these. You (if an individual), your Operating Principal and your Restaurant Manager must attend each annual conference, convention or training session. We reserve the right to charge our then-current training fees, not to exceed \$10,000 per event, for such conference, convention or training session. You also agree to pay all of the expenses incurred by your trainees or attendees in connection with any such conference, convention or training session we develop, including their salaries, travel costs, meals, lodging and other living expenses.

7.05 Field Support Services

After you open your Boustan Restaurant, we may from time to time offer you field support services, supervision and/or assistance that we consider advisable through on-site visits, off-site sessions, telephonic, electronic or other communication modes. You may also at any time communicate with our headquarters for consultation and guidance with respect to the operation and management of your Boustan Restaurant. The timing of our field support and headquarter consultation services will be subject to the availability of our personnel.

7.06 Accounting and MIS Systems

We will specify the electronic and/or written accounting and management information system ("MIS"), procedures, formats and reporting requirements which you will utilize to account for your Boustan Restaurant; maintain your financial records Boustan Restaurant data; and, generate reports for both you and

us. In addition to operating reports, payroll, cash management and general ledger accounts, these systems may be tailored to provide computerized point-of-sale (“POS”) scanning and invoice entry. You will be solely responsible for performing all bookkeeping, recordkeeping and accounting duties prescribed under this Agreement or in the Manual and for bearing the costs of these activities.

7.07 Pricing

Because enhancing Boustan’s interbrand competitive position and consumer acceptance for Boustan’s programs, products and services is a paramount goal of us and our franchisees, and because this objective is consistent with the long term interest of the System overall, we may exercise rights with respect to the pricing of programs, products and services to the fullest extent permitted by then-applicable law. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which you may charge customers for the programs, products and/or services offered and sold at your Boustan Restaurant; recommending retail prices; advertising specific retail prices for some or all programs, products or services sold by your Boustan Restaurant, which prices you will be compelled to observe (colloquially referred to as “price point advertising campaigns”); engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices (such as “buy one, get one free”); and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your Boustan Restaurant may charge the public for the programs, products and services it offers. We may engage in any such activity either periodically or throughout the Term of this Agreement. Further, we may engage in such activity only in certain geographic areas (cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. You acknowledge and agree that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your Boustan Restaurant and you irrevocably waive any and all claims arising from or related to our prescription or suggestion of your Boustan Restaurant’s retail prices.

7.08 Loyalty Program

We reserve the right to require your participation in any current or future customer loyalty program. By way of example only, a customer loyalty program may allow customers to earn points for each purchase made in any Boustan Restaurant, which points may then be redeemed at the same or other Boustan Restaurants for future purchases. The details of any current or future customer loyalty program will be memorialized in the Manual, as it may be updated from time to time. You understand, acknowledge and agree that any and all costs associated with your required participation in current or future customer loyalty programs shall be borne exclusively by you on such terms as we set forth in the Manual or in other written notices we provide to you.

7.09 Nature of Obligations

All our obligations under this Agreement are to you alone. No other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation. Notwithstanding the foregoing, you understand, acknowledge and agree that our obligations under this Agreement and/or the services that we determine to provide to you may be provided by us, our affiliates or other representatives who we designate.

8. YOUR DUTIES

8.01 Opening Date

You must fulfill all of your pre-opening obligations set forth in this Agreement, the Manual and in other written notices from us (including but not limited to the requirement that you secure all necessary licenses and sign an approved Lease for your Restaurant Location within 120 days following the Effective Date of this Agreement) and open your Boustan Restaurant to the general public no later than 210 days following the Effective Date of this Agreement (the “Opening Deadline”). Time is of the essence.

You will not be allowed to open your Boustan Restaurant without our written approval, which we will not unreasonably withhold. In order to obtain our approval to open, you must: obtain all required state, local and other required government certifications, permits and licenses, and furnish to us copies of all such required certifications, permits and licenses; furnish to us copies of all insurance policies required under this Agreement; attend and successfully complete our Initial Training Program to our satisfaction (as provided in

this Agreement); pay us or our affiliates any amounts due through the date that you request our approval to open; not be in default under any agreement with us or any affiliate of ours; not be in default under, but instead be current with, all contracts or agreements with your principal vendors, suppliers and other business creditors of your Boustan Restaurant (including the lessor or sublessor of your Restaurant Location, us and our affiliates); and, otherwise comply in all respects with the pre-opening obligations set forth in this Agreement, the Manual or other written notices from us.

In addition, we and/or representatives reserve the right to conduct an on-site inspection of your Boustan Restaurant prior to granting such approval. As such, you must provide us with prior written notice, no less than one week before you intend to open your Boustan Restaurant to the public, confirming that Restaurant, Restaurant Location and all assets to be used thereat have been delivered, implemented and/or installed and that the Boustan Restaurant is ready for opening.

8.02 Manner of Operation

Your Boustan Restaurant must comply at all times with every provision of this Agreement, the System and the Manual. You may not use the System or the Proprietary Marks for the benefit of any business other than your Boustan Restaurant. You may not conduct (or permit anyone else to conduct) any business at your Restaurant Location other than the Boustan Restaurant business embraced by this Agreement without first obtaining our written consent, which we may withhold for any reason or no reason. You acknowledge, understand and agree that your strict compliance with the System, this Agreement and the Manual are of the essence to this Agreement and are critically important to you, us and all other franchisees, since your failure to adhere to the System, this Agreement and/or the Manual may damage the reputation and goodwill enjoyed by the Boustan restaurant network and the Proprietary Marks.

You further covenant to at all times operate your Boustan Restaurant in a manner intended to increase our goodwill associated with the Boustan brand and the System programs, products and services, all of which goodwill you understand, acknowledge and agree shall inure to sole benefit.

8.03 Modifications to the System

In our sole discretion, we may from time to time modify any components of the System and requirements applicable to you by means of Supplements to the Manual or otherwise, including, but not limited to, altering the programs, products, services, methods, standards, accounting and computer systems, forms, policies and procedures of the System; adding to, deleting from or modifying the programs, products and services which your Boustan Restaurant is authorized and required to offer; modifying or substituting the equipment, signs, trade dress and other Boustan Restaurant characteristics that you are required to adhere to (subject to the limitations set forth in this Agreement); and, changing, improving, modifying or substituting for the Proprietary Marks. You agree to implement any such System modifications as if they were part of the System at the time you signed this Agreement. You acknowledge that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any Boustan Restaurant, based on the timing of the grant of the franchise, the peculiarities of the particular territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the Boustan Restaurant. You will have no right to require us to disclose any variation or to grant the same or a similar variation to you.

8.04 Research and Testing

We may from time to time wish to test and/or research new programs, products and services for the System. If we do, you agree to cooperate and collaborate with us and our representatives, at your sole cost and expense, regarding such test and/or research.

8.05 Cobranding

We may determine from time to time to incorporate into the System programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Boustan Restaurant, along with other Boustan Restaurants, will be required to offer and sell ("Co-Branding"). This Co-Branding may involve changes to the Proprietary Marks and may require you to make modifications to your Boustan Restaurant's

premises and the furniture, fixtures, equipment, signs and trade dress of your Boustan Restaurant. If you receive written notice of our institution of Co-Branding, you agree promptly to implement that program at your Boustan Restaurant at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any Co-Branding increase your Royalty, Worldwide Fund Contribution or local advertising expenditure obligations under this Agreement.

8.06 Compliance with Laws, Rules and Regulations

You agree to adhere to the highest standards of honesty, integrity and fair dealing in all dealings with the public and to operate your Boustan Restaurant in strict compliance with all laws, rules, regulations, ordinances, policies and procedures of any federal, state, county, municipal or local governmental or quasi-governmental agency, commission and/or authority which govern the construction or any element of the operation of your Boustan Restaurant. You also agree to obtain and keep in good standing all licenses, permits and other governmental consents and approvals which are now or hereafter required to operate your Boustan Restaurant now or in the future.

You represent and warrant to us that, as of the date of this Agreement and at all times during the Term hereof, and to your actual or constructive knowledge, neither you nor any affiliate of yours, any individual or business entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a "Specially Designated National or Blocked Person" (as defined below) or to a business entity in which a "Specially Designated National or Blocked Person" has an interest. For the purposes of this Agreement, "Specially Designated National or Blocked Person" means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a "specially designated national or blocked person" or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

You further agree that you will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

8.07 Health, Safety and Cleanliness

You shall at all times maintain your Boustan Restaurant in the highest degree of sanitation, health, safety, cleanliness, repair and condition and shall meet (or exceed) the highest standards and ratings applicable to the operation of your Boustan Restaurant. You shall furnish to us, within five days following your receipt thereof, a copy of all inspection reports, warnings, citations, certificates, or ratings resulting from inspections of your Boustan Restaurant conducted by any federal, state, county, local or other governmental agency, commission and/or authority.

You shall comply with our requirements and specifications concerning the quality, service and cleanliness of your Boustan Restaurant; the programs, products and services sold, offered for sale and/or provided at the Boustan Restaurant; and, the operation of the Boustan Restaurant under the System, as those requirements may be specified by us in this Agreement, in the Manual or otherwise in writing.

You shall permit us or our agents, at any reasonable time and with or without notice, to remove samples of items from your Boustan Restaurant's inventory, or from your Boustan Restaurant, without payment

therefor, in amounts reasonably necessary for testing either by us or an independent laboratory to determine whether said samples meet our then-current Standards. We may require you to bear the actual costs of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform with our Standards.

If (a) within twenty-four (24) hours after our written notice to you that your Boustan Restaurant requires correction of an unsanitary, unsafe or unhealthy condition, or (b) within seven (7) days after our written notice to you that your Boustan Restaurant, Restaurant Location and/or assets thereof requires repair, modification, maintenance or painting, you have not corrected the subject condition to our satisfaction, we or our representatives may (without being guilty or responsible for any unauthorized access to the property or for damage, harm or offence) enter and/or take possession of your Boustan Restaurant to either make such repairs, alterations, maintenance or painting on your behalf (and at your sole cost and expense, for which you will be required to reimburse us) or to determine whether the subject condition was corrected to our satisfaction.

8.08 Complaints

You agree to respond promptly and courteously to requests and complaints made by customers, whether these requests or complaints concern the franchised business or any other business operating according to the Boustan concept, and forward to us, without delay, the supporting documents confirming the requests and complaints received and actions taken to address any situation and, if necessary, to contact us regarding our suggested approach to address these complaints and/or requests.

8.09 Your Participation in the Operation of the Boustan Restaurant; Operating Principal and Restaurant Manager

Unless we otherwise permit in writing, you agree to personally supervise and participate in the day-to-day operation of the Boustan Restaurant and to devote your time, attention and best efforts to the performance of your obligations under this Agreement, all ancillary documents relating to this Agreement and all other agreements which may now or hereafter be in effect between us (or any affiliate) and you (or any affiliate). If you are licensed to operate more than one Boustan Restaurant, then you agree to devote such amount of your time and attention to the performance of your duties as is necessary for the proper and effective operation of each such Boustan Restaurant.

You must either serve as or designate an “Operating Principal” for the effective operation of your Boustan Restaurant. Your Operating Principal must be an equity owner, have complete decision making authority with regard to your Boustan Restaurant and must have full and complete authority to alone, in all respects, act on your behalf under this Agreement and to, alone, bind you without any need for approval, authorization or resolution.

Your Operating Principal will oversee compliance with our brand standards and be in charge of all dealings with us and such other obligations and responsibilities as set forth in our Manual. Your Operating Principal is the sole individual with whom we will be required to communicate when we seek to communicate with you. The Operating Principal must attend and successfully complete our Initial Training Program. In addition, the proposed Operating Principal must demonstrate to our satisfaction (both at the time of approval and on a continuing basis thereafter) that he/she satisfies our educational, managerial and business standards, and has the aptitude and ability to conduct, operate and supervise your Boustan Restaurant.

You must either serve as or designate a “Restaurant Manager” for the effective operation of your Boustan Restaurant. Your Restaurant Manager will be responsible for managing the day-to-day operations at your Boustan Restaurant, will exercise on-premises supervision and personally participate in the direct operation of the Boustan Restaurant and such other obligations and responsibilities as set forth in our Manual. The Restaurant Manager must attend and successfully complete our Initial Training Program. In addition, the proposed Restaurant Manager must demonstrate to our satisfaction (both at the time of approval and on a continuing basis thereafter) that he/she satisfies our educational, managerial and business standards, and has the aptitude and ability to conduct, operate and supervise your Boustan Restaurant.

Upon the death, disability or termination of employment of your Operating Principal or Restaurant Manager for any cause or reason, you must immediately notify us. You must designate a successor or acting Operating Principal or Restaurant Manager promptly and, in any event, no later than 10 days following the death, disability or termination of the predecessor Operating Principal or Restaurant Manager. The above protocols and procedures governing your proposal and our approval of your initial Operating Principal or Restaurant Manager shall apply to any successor Operating Principal or Restaurant Manager you may propose. Any successor Operating Principal or Restaurant Manager must possess those credentials set forth in our Manual, must attend and successfully complete our next scheduled Initial Training Program and must attend and successfully complete such other reasonable training at such times as we may specify, all at your expense. The failure to employ and train a successor Operating Principal or Restaurant Manager will constitute a material breach of this Agreement.

8.10 Requirements Concerning Programs, Products and Services

A. *Proprietary and Private Brand Programs, Products and Services*

You must purchase from us or our affiliate or our designated suppliers, certain proprietary and private brand products used in the preparation of the food products sold at your Boustan Restaurant (collectively, “Proprietary Products”), the recipes for which are considered unique and their formulae and manufacturing processes constitute trade secrets of the System. The right to purchase and use the Proprietary Products lasts only for the duration of the Term of this Agreement. In addition to the Proprietary Products, you must also purchase any other proprietary and/or private brand programs, products, supplies, equipment, materials and services used, offered or sold at your Boustan Restaurant which now comprise, or in the future may comprise, a part of the System and which were developed by, are proprietary to or kept secret by us or our affiliates, only from us, our affiliate or designated suppliers. We impose this requirement to advance uniformity of the Boustan concept and quality and to protect our trade secrets, which are of the essence to the System and this Agreement. We (or our affiliates or designees) will sell to you all Proprietary Products under terms we develop and advise you of from time to time. We reserve the right to earn a profit on the sale of the Proprietary Products or any other proprietary products to you.

B. *Trademarked Products*

We may specify certain items of clothing (such as T-shirts), merchandise and other novelty items bearing our Proprietary Marks (“Trademarked Products”), which must be offered for sale in your Boustan Restaurant. We will provide specifications for the Trademarked Products, and you may purchase them either from suppliers designated by us or from suppliers selected by you who meet our specifications. We reserve the right to earn a profit on the sale of the Trademarked Products to you.

C. *Other Programs, Products and Services You Sell*

In addition to the Proprietary Products and the Trademarked Products, you must use in your Boustan Restaurant only those certain ingredients, food products, spices, seasonings, mixes, beverages, materials, other supplies used in the preparation of food products, furniture, fixtures, equipment, smallwares, forms, paper and plastic products, packaging, other materials, programs and services that meet our standards and specifications (“Approved Products and Services”) and which are now part of the System or which we in the future incorporate into the System unless, as to any one or more Approved Products and Services, sale is prohibited by local law or regulation or we have otherwise granted you our advance written approval. You may not sell any program, product or service which is not a part of the System or which we delete from the System. We reserve the right to earn a profit on the sale of the Approved Products and Services to you.

You understand, acknowledge and agree that you must prepare, at the Restaurant Location, all Approved Products and Services and in the quantity, variety, quality and manner that we prescribe from time to time (including, without limitation, in accordance with the recipes and with respect to the portion sizes, the weight, dimensions, shapes and packaging prescribed or approved by us from time to time).

You must maintain in sufficient supply of products, materials and supplies as conform to our then-current written standards and specifications (as set forth in the Manual or otherwise) and must refrain from deviating

therefrom by the use of any non-conforming items without our prior written consent. Your Boustan Restaurant must operate all standards, procedures and techniques as we specify and must refrain from any deviation from our standards and specifications without our prior written consent.

If you desire to sell any program, product, or service which is not a part of the System, then you must obtain our advance written permission, which we may deny for any or no reason. If we grant such advance written approval, then the program, product or service in question will become a part of the System; we may, but will not be required to, authorize the program, product or service for sale at one or more other Boustan Restaurants; we may subsequently revoke our approval for any or no reason; we will own all rights associated with the program, product, or service; and, you will not be entitled to any compensation therefor.

D. Sources of Supply and Specifications

We may designate one or more specific manufacturers or suppliers for Approved Products and Services, which may be us or our affiliates (an "Approved Supplier"). Further, we reserve the right to designate for either all Boustan Restaurants or a subset of Boustan Restaurants situated within one or more geographic regions, a single source Approved Supplier or single source regional supplier (collectively, "Single Source Approved Suppliers") of certain Approved Products and Services. If we do so, then immediately upon notification, you, we and all other Boustan Restaurants (or, as applicable, those in the designated geographic area) must purchase the specified products and services only from such Single Source Approved Supplier. However, if at the time of our notification you are already a party to a non-terminable supply contract with another vendor or supplier for the product in question, then your obligation to purchase from our Single Source Approved Supplier will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract. We make no representation that we will have exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same products and/or services at a lower price from another supplier. We may add to, modify, substitute or discontinue exclusive supply arrangements with any Single Source Approved Suppliers in the exercise of our business judgment.

Upon request, we will furnish to you a list of Approved Products and Services, Approved Suppliers, Single Source Approved Suppliers and the specifications for other products where we do not designate Approved Suppliers or Single Source Approved Supplier. Except for those Approved Products and Services which we have designated an Approved Supplier or Single Source Approved Supplier, if you propose to use in the operation of your Boustan Restaurant any product, supply, material, furnishing or equipment which has not yet been approved by us as conforming to our specifications and quality standards and/or from a supplier not yet approved in writing by us as a supplier to our franchisees, you must first notify and obtain our approval. We do not maintain written criteria for approving suppliers, and thus these criteria are not available to you or your proposed supplier. To obtain our written approval for the alternative supplier: (i) you must submit a written request to us for approval of the supplier and then furnish us with the information, data and samples that we reasonably request; (ii) the supplier must meet our specifications to our reasonable satisfaction; (iii) the supplier must agree to allow us or our agents to conduct initial and continuing inspections of its facilities (the reasonable costs of which you will be required to bear); and, (iv) the supplier must demonstrate to our reasonable satisfaction that it is in good standing in the business community for financial soundness and reliability of its product or service. We may test, at your expense, the product or service of any supplier you propose, whether or not the supplier is then approved by us. Nothing in the foregoing shall be deemed to require us to approve any particular supplier or to require us to make available to prospective suppliers any standards, specifications, procedures or protocols that we, in our business judgment, deem confidential. We will give you notice of our approval or disapproval within 30 days. If we test the product or service, you and/or any supplier must reimburse us for all costs and expenses incurred by us associated with any testing, including travel and lodging expenses. If we revoke approval of any supplier, we will give you written notice (in our Manual or otherwise).

You must, at all times, maintain, offer for sale and put on display an adequate inventory of products, supplies and materials sufficient to satisfy customer demand, to operate your Boustan Restaurant and to satisfy our standards and guidelines concerning without limitation, to the quality, variety and diversity of your inventory.

We may issue, add to, modify or revoke our specifications in writing through our Manual or other written notices from time to time. If we revoke or delete any Approved Product and Service or Approved Supplier, then you must cease using any such disapproved product, service or supplier (or any items purchased from a revoked source of supply) which are inventoried by your Boustan Restaurant within 10 days following your receipt of written or electronic notice from us, unless the item or source of supply poses a threat to the health or safety of the public, in which case you must cease using such item or source of supply immediately upon notice from us orally, electronically, or in writing.

We reserve the right (in our sole discretion) to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of products, services or equipment be paid directly to us as revenue or into the Worldwide Fund. If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

E. Display of Products

You agree to place in public view, for display and sale, in accordance with the plans and layout we approve in advance, certain required as we may reasonably prescribe from time to time. By way of example only, and without limitation, we may require your Boustan Restaurant to have a display case at the register, displaying certain required menu items.

8.11 Computer and Point of Sale System

Before the opening of the Boustan Restaurant, you agree to procure and install, at your expense, the computer hardware, software, wired and/or wireless internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment that we specify in our Manual or otherwise (the "Computer and POS System"). You agree to obtain and maintain high-speed communications access for your Computer and POS System. You also agree to use and maintain the e-mail address with which we provide you in connection with your Boustan Restaurant's operations.

You agree to provide all assistance we require to bring your Computer and POS System online with our computers at the earliest possible time and to maintain these connections as we require. You agree to input and maintain in your Computer and POS System all data and information which we prescribe in our Manual, in our proprietary software (if any) and its manuals, and otherwise. We will have independent access to your Computer and POS System and we may retrieve from your Computer and POS System all information that we consider necessary, desirable or appropriate. You must accurately, consistently and completely record and provide through the Computer and POS System all information concerning the operation of the Boustan Restaurant that we require, in the form and at the intervals that we require.

We reserve the right to require you to purchase and use any technology systems and software from us or our designees, at our then-current price, pay our then-current fees associated therewith (including for help and support services) and sign our then-current standard form software license agreement at any time upon notice. You agree to purchase from us or our designee, as applicable, new, upgraded or substitute proprietary software whenever we determine to adopt them system-wide, at the prices and on the terms that we or such third party vendor establish, but you will not be required to do so more than once in any calendar year.

You agree, at your expense, to keep your Computer and POS System in good maintenance and repair. We may mandate that you add memory, ports, accessories, peripheral equipment and additional, new or substitute software. Following our testing and determination that it will prove economically or systemically beneficial to you and to us, you agree to install at your own expense the additions, modifications, substitutions and/or replacements to your Computer and POS System hardware, software, telephone and power lines and other Computer and POS System facilities as we direct, on the dates and within the times we specify in our Manual or otherwise.

You understand and agree that modes of computerization and communication are rapidly evolving and that, accordingly, we may require you at your expense to purchase, install and utilize at your Boustan Restaurant such hereafter developed modes of computerization, communication, media and/or interfaces as we, in our

sole discretion, determine to incorporate into the System. You shall do so at such time and in such manner as we designate, in our Manual or other written notices.

Upon termination or expiration of this Agreement, you must return all software, disks, tapes and other magnetic storage media to us in good condition, allowing for normal wear and tear.

You will provide to us all user ID's and passwords required to access files and other information stored on your Boustan Restaurant's Computer and POS System. You will at all times ensure that the only personnel conducting transactions on your Computer and POS System will be those who have been trained and qualified in accordance with the requirements of our Manual.

8.12 Web Sites/Social Media

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the Boustan System. We may establish one or more websites accessible through one or more uniform resource locators ("URL's") and, if we do, we may (but need not) design and provide for the benefit of your franchised Boustan Restaurant a location subpage at each of these websites for the promotion of your Boustan Restaurant. If we establish one or more websites or other modes of electronic commerce and if we provide a location subpage at each of these website for the promotion of your Boustan Restaurant, you must routinely provide us with updated copy, photographs and news stories about your franchised Boustan Restaurant suitable for posting on your Boustan Restaurant's location subpage. We will specify the content, frequency and procedure of these in our Manual. Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at Boustan Restaurants – also be devoted in part to offering Boustan franchises for sale and be utilized by us to exploit the electronic commerce rights which we reserve. In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, Boustan System discussion forums and systemwide communications (among other activities) can be effected. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your franchised Boustan Restaurant; establish a link to any website we establish at or from any other website or page; or, at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the "Boustan" name or any confusingly similar name.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any Boustan website we establish and maintain, including all material you may furnish to us as described above.

Notwithstanding the foregoing, you may only maintain a social media page (including, without limitation Facebook, Instagram or Twitter) or otherwise maintain a presence or advertise on the internet, through social media with our prior written approval and so long as such presence conforms to our standards and specifications and social media policy, as we may establish and modify from time to time.

8.13 Indemnification

You agree that you will, at your sole cost, at all times defend us, any affiliate of ours, the affiliates, subsidiaries, successors, assigns and designees of each; and, the officers, directors, managers, employees, agents, attorneys, shareholders, owners, members, designees and representatives of all of the foregoing (we and all others referenced above being the "Franchisor Parties"), and indemnify and hold harmless us and the Franchisor Parties to the fullest extent permitted by law, from all claims, losses, liabilities and costs incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of or is related in any way to any element of your establishment, construction, opening and operation of your Boustan Restaurant, including (without limitation) any personal injury, death or property damage suffered by any customer, visitor, operator, employee or guest of your Boustan Restaurant; crimes committed on or near any of the premises, facilities of your Boustan Restaurant or vehicles used by your Boustan Restaurant; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation

or upgrading of your Boustan Restaurant, whether or not any of the foregoing was approved by us; defects in any Boustan Restaurant you construct and/or operate, whether or not discoverable by you or by us; all acts, errors, neglects or omissions of you or your Boustan Restaurant and/or the owners, officers, directors, management, employees, agent, servants, contractors, partners, proprietors, affiliates or representatives of you or your Boustan Restaurant (or any third party acting on your behalf or at your direction), whether in connection with your Boustan Restaurant or otherwise, including (without limitation) any property damage, injury or death suffered or caused by any vehicle serving your Boustan Restaurant; all liabilities arising from or related to your offer, sale and/or delivery of programs, products and/or services as contemplated by this Agreement; and, any action by any customer of yours or visitor to your Boustan Restaurant or any other facility of your Boustan Restaurant business.

As used above, the phrase “claims, losses, liabilities and costs” includes all claims; causes of action; fines; penalties; liabilities; losses; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys’ and experts’ fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Franchisor Parties’ attorneys and/or experts); all expenses of recall, refunds, compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

Specifically excluded from the indemnity you give hereby is any liability associated with our or the other Franchisor Parties’ gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you).

You agree to give us written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any Franchisor Party within 3 days of your actual or constructive knowledge of it. At your expense and risk, we may elect to assume (but under no circumstance will we be obligated to undertake) the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation. However, we will seek your advice and counsel and keep you informed with regard to the defense or contemplated settlements. Our undertaking of defense and/or settlement will in no way diminish your obligation to indemnify us and the other Franchisor Parties and to hold us and them harmless.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole discretion, there are reasonable grounds to do so. Under no circumstance will we or the other Franchisor Parties be required to seek recovery from third parties or otherwise mitigate our or their losses to maintain a claim against you. You agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by us or the other Franchisor Parties from you. The indemnification obligations of this Section 8.13 will survive the expiration or sooner termination of this Agreement.

8.14 Inspection

We (and any of our authorized agents or representatives, including outside accountants, auditors and/or inspectors) may enter your Boustan Restaurant and any premises of your Boustan Restaurant business, and/or visit any locations at which you have provided or are providing programs, products or services to customers or maintain business records, and inspect and audit the programs, products, and services provided from or at such locations; the products and supplies contained at such locations and their condition; confer with your employees and customers; and, assess your operating systems and compliance with this Agreement. We may conduct such inspections with or without prior notice to you. You shall cooperate with us or our representatives conducting such inspections by rendering any assistance as reasonably requested. Following

any such inspection, you agree to take such steps as are necessary to incorporate into your Boustan Restaurant any reasonable corrections and modifications we require to maintain the standards of quality and uniformity we prescribe, as quickly as is reasonably possible and using all resources at your disposal.

8.15 Intellectual Property You Develop

You hereby permanently and irrevocably assign to us any and all rights and interests (including intellectual property rights and interests) to any and all of the following which may be developed by you, or on your behalf, if developed in whole or in part in connection with your Boustan Restaurant: all programs, products or services; all variations, modifications and/or improvements on programs, products or services; your means, manner and style of offering and selling programs, products and services; management techniques or protocols you may develop (or have developed on your behalf); all sales, marketing, advertising and promotional programs, campaigns or materials developed by you or on your behalf; and, all other intellectual property developed by you or on behalf of your Boustan Restaurant. We may authorize ourselves, our affiliates and/or other Boustan Restaurants to use and exploit any such rights which are assigned to us hereunder. The sole consideration for your assignment to us of all of the foregoing rights shall be our grant of the franchise conferred upon you by this Agreement.

8.16 Adequate Reserves and Working Capital

You must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of your Boustan Restaurant for at least 3 months. These reserves may be in the form of cash deposits or lines of credit.

8.17 Credit Cards and Other Modes of Payment

You agree to become and remain a merchant for any credit cards and/or debit cards which we may specify in our Manual or otherwise. Further, you agree to maintain the creditworthiness required of each of these credit card or debit card issuers; to honor these cards for credit purposes; and, to abide by all related regulations and procedures that we and/or the credit card and/or debit card issuer prescribes.

Further, you agree that, at your sole expense, you shall at our direction and by the time we specify purchase, purchase, install and utilize such equipment, hardware, software, facilities and personnel necessary to enable now or hereafter developed alternative modes of customer payments (beyond cash, credit cards and debit cards). Such alternative modes of payment may include, by way of example only, "smart phone" payment transactions.

In addition, you agree that you must participate in any electronic gift card program that we designate, and you further agree that you will be required to purchase gift cards, hardware, software and other equipment in connection with your participation in our gift card program.

8.18 Compliance with Security Protocols

You agree to assure all communication connections (of whatever form, wireless, cable, internet, broadband or other) and access to financial information, especially credit card information, is at all times kept secure in a manner which is in compliance with all legal requirements and, particularly, with all security requirements of the issuing credit card companies. You further agree to hold us and the other Franchisor Parties (as defined in Section 8.13) harmless from any and all claims and liabilities related to same. In addition, at your cost, you agree to provide us with a written report of verification from a specialist approved by us confirming compliance with the obligations imposed by this Section 8.18 and any other proof of such compliance that we may reasonably require.

8.19 Hours of Operation

You agree to continuously operate your Boustan Restaurant on the days and during the minimum hours that we from time to time may specify in our Manual or otherwise. You may establish hours of operation in addition to the required minimum hours, subject to applicable laws, rules or regulations and/or the provisions of your Lease.

8.20 Communication Codes

You acknowledge and agree that we may, from time to time, without being obliged, institute a system or systems of centralized "Communication Codes" (as defined below) for one or more of our franchisees in

regions that we may designate from time to time to this end. By way of example, but without limitation, we reserve the right to establish a “1-800” number for the delivery of Boustan Restaurant menu items, and if we do, you will be required to participate in and exclusively utilize same, at your sole cost and expense. If we decide to establish such systems in a centralized region that includes your franchised business, you undertake thereafter not to publish Communication Codes for your franchised business, other than those we specify. You agree that all such Communication Codes of such centralized systems shall be our exclusive property. You shall be and remain liable for all costs reasonably imposed by us relative to your participation in any centralized system including, without limitation, to any costs incurred for all capital, operating costs, fixed costs and variable costs related to the implementation and operation of all systems of centralized Communication Codes. By imposing such fees, we agree, however, not to add any amount for profit and to exercise our best efforts to allocate all such costs and expenses among the various franchisees using such centralized systems in a fair and equitable manner between them. “**Communication Codes**” means all telephone numbers, fax machine numbers, telex numbers, telegraph addresses, computer systems numbers, electronic mail numbers, electronic mail addresses, names of websites, addresses of websites and, generally speaking, all numbers, codes, names and addresses of lines of communication used for the purposes of the franchised business.

8.21 Business Entity Requirements and Records

If you are a corporation, limited liability company, limited partnership or any other type of business entity (“business entity”), you must comply with the following requirements (which will also apply to any assignee of this Agreement which is a business entity):

- A. Furnish us with all of your formation, organizational and governing documents; a schedule of all owners (indicating as to each its percentage ownership interest); any shareholder, partnership, membership, buy/sell or equivalent agreements and documents; and, a list of all of your officers, directors and managers (as applicable).
- B. Unless we otherwise consent in writing, your business entity’s formation and governing documents must provide that its activities will be confined exclusively to the operation of your Boustan Restaurant.
- C. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein.

Without our prior written consent (which will not be unreasonably withheld, delayed or denied), you may not permit any mortgage, lien, pledge or other security interest in respect of any of your business entity’s shares, equity interests or other ownership interests. Any violation of the preceding restriction will give us the right to terminate this Agreement immediately upon notice to you.

8.22 Staffing

You agree to maintain a competent, conscientious, trained staff in sufficient numbers as necessary to promptly, efficiently and effectively service customers. You shall take such steps as are necessary to ensure that your employees preserve good customer relations.

8.23 Testimonials and Endorsements

You agree to permit us (or any of our authorized agents or representatives) to communicate in any manner with your customers to procure customer testimonials and endorsements of the programs, products or services furnished by your Boustan Restaurant and any related programs, products or services. You agree to cooperate with us in procuring testimonials and endorsements. You agree that we will be free to make whatever use of testimonials and endorsements that we determine, and that we will owe you absolutely no direct or indirect compensation or other duty as a consequence of our use.

8.24 Trade Accounts

You agree to maintain your trade accounts in a current status and to seek to promptly resolve any disputes with trade suppliers. If you do not maintain your trade accounts in a current fashion, we may pay any or all of the accounts on your behalf, but we will have no obligation to do so. If we pay any accounts on your behalf, then you agree to immediately repay us as provided by Section 5.06 (E). If you do not keep your trade

accounts current or make immediate repayment to us, this will be a material breach of this Agreement entitling us to terminate this Agreement following our giving you notice and an opportunity to cure your breach.

8.25 No Conflicting Agreements

During the Term of this Agreement, you may not be a party to any contract, agreement, business entity formation or governance document, mortgage, Lease or restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

8.26 Taxes

You shall promptly pay when due all taxes levied or assessed upon your Boustan Restaurant including, without limitation, all employment, workers' compensation and sales taxes. In the event you have any bona fide dispute as to your liability for taxes assessed, you may contest the validity of the amount of the tax in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, to occur against the premises of your Boustan Restaurant or any improvements thereon.

8.27 Government Actions

You shall notify us in writing within five days of the commencement of any action, suit or proceeding and/or the issuance of any citation, order, writ, injunction, award or decree of any court, agency or other governmental or quasi-governmental instrumentality, which may adversely affect the operation or financial condition of your Boustan Restaurant.

8.28 Privacy and Data Protection

You will: (i) comply with all applicable international, national, federal, provincial, state, or local laws, codes or regulations that regulate the processing of information that can be used (alone or when used in combination with other information within your control) to identify, locate or contact an individual or pertains in any way to an identified or identifiable individual ("Personal Information") in any way, including, but not limited to, national data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules ("Privacy Laws"); (ii) comply with all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by us that relate to Privacy Laws and the privacy and security of Personal Information; (iii) refrain from any action or inaction that could cause us to breach any Privacy Laws; (iv) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us in compliance with the Privacy Laws; and (v) immediately report to us the theft or loss of Personal Information (other than the Personal Information of your own officers, directors, shareholders, employees or service providers). You must also comply with payment card industry ("PCI") standards, norms, requirements and protocols, including PCI Data Security Standards.

9. INSURANCE

9.01 Your Required Insurance Coverage

A. Within 14 days following our execution of this Agreement, and thereafter at all times throughout the Term of this Agreement, you agree to purchase at your own expense, and maintain in effect at all times, at least the following categories of insurance coverage in forms and through insurance companies satisfactory to us. You understand and agree that your Lease may require other or greater insurance coverages than those stated in this Section. Such insurance coverage must extend to and embrace your Boustan Restaurant; all activities conducted in, at or from your Boustan Restaurant; all facilities which may be situated upon your Boustan Restaurant's premises; and, all activities arising from or related to the construction, operation or occupancy of your Boustan Restaurant and any other facilities situated on your Boustan Restaurant's premises. Your required coverages, policy limits, limitations on deductibles and limitations on self-insured retentions are prescribed by us in our Manual or otherwise in writing and, as noted below, are subject to change.

1. Broad form comprehensive general liability coverage of at least \$5,000,000 per occurrence, such insurance to embrace (without limitation) claims for personal

injury, bodily injury, property damage and product liability. This insurance may not have a deductible or self-insured retention of over \$5,000.

2. Full insurance of liability for services and product liability protecting the insured against the financial consequences of any liability they may incur in any way whatsoever because of the provision, delivery, sale and/or lease of any service and/or product and/or good. The limit of liability subject to such insurance shall not be less than \$2,000,000 per occurrence.
3. "All Risk" coverage (including fire, explosion or any other loss or disaster, including vandalism and/or any other voluntary act, and extended coverage insurance on your Boustan Restaurant and property in an amount adequate to fully replace them in case of an insured loss.
4. Business interruption insurance in sufficient amounts to cover your Boustan Restaurant rental expenses, maintenance of competent personnel and other fixed expenses for the greater of (a) a minimum of 120 days or (b) a minimum monthly amount equivalent to the monthly average of the Gross Revenue made during the course of the prior twelve (12) month period. This insurance policy must specify that protection is provided even in the event of damage caused by fire and those risks mentioned in the additional coverage rider including vandalism and malicious damage.
5. Workers' compensation, employer's liability and any other employee insurance required by any applicable federal, state or local law, rule or regulation (but in no event less than \$1,000,000 for employer's liability insurance).
6. In connection with the construction, refurbishment, renovation or remodeling of your franchised Boustan Restaurant, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us.
7. Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under this Agreement.

B. The insurance coverage that you acquire and maintain under this Article 9 must:

1. Name us and the other Franchisor Parties identified in Section 8.13 as additional insureds and provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured (except for workers' compensation, employer's liability and any other employee-related insurance mandated by any federal, state or local law, rule or regulation).
2. Contain no provision which in any way limits or reduces coverage for you if there is a claim by one or more of the Franchisor Parties.
3. Extend to and provide indemnity for all obligations assumed by you under this Agreement and all other items for which you are required to indemnify us under this Agreement.
4. Stipulate that any interest of us or the Franchisor Parties shall not be diminished or impaired by reason of any breach by you of any conditions in the policy.
5. Contains such endorsements as we may specify from time to time in the Manual.
6. Be primary to and without right of contribution from any other insurance purchased by the Franchisor Parties.

7. Provide, by endorsement, that we are entitled to receive at least 30 days prior written notice of any intent to reduce policy limits, restrict coverage, modify, cancel, not renew or otherwise alter or amend the policy.
8. Contain a waiver of subrogation rights against us, the other Franchisor Parties identified in Section 8.13 and any of our successors and/or assigns.
9. Be obtained from responsible insurance carriers acceptable to us which possess a Best's Insurance Guide rating of no less than "A+".
10. All public liability policies may be required by us to contain a provision that although we are named as an additional insured, we are nevertheless entitled to recover under such policies on any loss occasioned to us or the other Franchisor Parties by reason of your negligence or that of your servants, agents or employees.
11. Allow us to appoint our own legal counsel to represent us for any action indemnified by your insurance.

C. You agree not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend any required insurance policy without our specific advance written consent, which may be denied for any or no reason.

D. If there is a claim by any one or more of the Franchisor Parties against you, you must, upon our request, assign to us all rights which you then have or thereafter may have with respect to the claim against the insurer(s) providing the coverages described in this Section 9.01.

E. You agree that we may periodically add to, modify or delete the types and amounts of insurance coverage which you are required to maintain under this Agreement, and all features and elements thereof, by written notice to you (through a Supplement to our Manual, or otherwise). Upon delivery or attempted delivery of this written notice, you agree to immediately purchase insurance conforming to any such newly established standards and limits.

9.02 Certificates of Insurance

You agree to promptly provide us with certificates of insurance evidencing the coverages required by this Agreement at least 14 days prior to your commencing any of the activities or operations contemplated by this Agreement and, thereafter, at least 30 days prior to the expiration of any such policy. All certificates must evidence proper coverage as required by this Agreement and the Manual. Attached to each certificate shall be a copy of the endorsement amending any clause in the subject policy which relates to other insurance and confirming that all coverage is primary insurance and that our insurance (and the insurance of the other Franchisor Parties identified in Section 8.13 above) is applicable only after all limits of your policy(ies) are exhausted.

You agree to renew all insurance policies and documents and to furnish renewal certificates of insurance to us before the expiration date of the expiring policy in question. We may at any time require you to forward to us full copies of all insurance policies.

9.03 Purchase of Insurance on Your Behalf

If you fail to purchase insurance conforming to the standards and limits we prescribe, we may (but we are not required to) obtain on your behalf the insurance necessary to meet these standards, through agents and insurance companies that we choose. If we do this, then you must immediately pay the required premiums or reimburse us for the premiums we advanced and must also pay us a reasonable fee for the efforts we undertake to obtain such insurance for you. Nothing contained in this Agreement will impose any duty or obligation on us to obtain or maintain any specific forms, kinds or amounts of insurance on your behalf.

9.04 No Undertaking or Representation

Nothing in this Agreement may be considered our undertaking or representation that the insurance that you are required to obtain or that we may obtain for you will insure you against any or all insurable risks of loss which may arise out of or in connection with the operation of your Boustan Restaurant. We advise you to

consult with your insurance agent and other risk advisors regarding any types, amounts or elements of insurance coverage beyond those specified herein which may be prudent to obtain.

9.05 Failure To Purchase Insurance or To Reimburse

If you fail to purchase or maintain any insurance required by this Agreement or you fail to reimburse us for our purchase of any required insurance on your behalf, your failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice given to you, with no opportunity to cure.

10. ADVERTISING

10.01 Administration of the Worldwide System Brand Fund

We or our designee have the right (but not the obligation) to establish a Worldwide System Brand Fund (a "Worldwide Fund"). If we establish a Worldwide Fund, we will notify you in writing of the starting date and amount of your Worldwide Fund Contributions, and we will administer the Worldwide Fund as follows:

A. As provided in Section 5.03, you agree to pay us a Worldwide Fund Contribution which, combined with the contributions made by other Boustan franchisees, will constitute the Fund.

B. We will direct all advertising programs, with sole control over the creative concepts, materials and media used in such programs, and the placement and allocation of Fund advertising. You acknowledge that the Fund is intended to further general public recognition and acceptance of the Proprietary Marks for the benefit of the System. You further acknowledge that we and our designees undertake no obligation in administering the Fund to make expenditures for you which are equivalent or proportionate to your contributions, to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or to ensure that any advertising impacts or penetrates the area of your Restaurant Location. The Fund is not a trust and we are not a fiduciary with respect to the Fund.

C. The Fund may be used to meet any and all costs of administering, directing, preparing, placing and paying for national, regional or local advertising, including (without limitation): production and media, television, radio, cable, magazine, newspaper and worldwide web/internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; the creation, maintenance and periodic modification of the Boustan website; advertising at sports events; mailers, door hangers, freestanding inserts/coupons, brochures and sponsorships; mystery shoppers (both for the System and for competitive networks or units); celebrity endorsements; reviewing any advertising material you propose to use (as provided below); search engine optimization; establishing a third party facility for customizing local advertising materials; conducting customer surveys and customer interviews; accounting for Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; related retainers; association dues (including the International Franchise Association); social media programs on the internet; cellular telephone and smartphone media programs; other activities that we in our business judgment believe are appropriate to enhance, promote and/or protect the System or any component thereof; and, engaging advertising agencies to assist in any or all of the foregoing activities, including fees to have print, broadcast and/or internet advertising placed by an agency, and all other advertising agency fees. Merchandise and premium items, if developed out of the Fund, may be sold to franchisees at a reasonable cost. Earnings on the sale of premium items will be contributed to the Fund.

D. We need not maintain the sums paid by franchisees to the Fund, or income earned from the Fund, in a separate account from our other funds, but we may not use these amounts under any circumstance for any purposes other than those provided for in this Agreement. We may, however, expend monies from the Fund for any reasonable administrative (including legal and accounting) costs and overhead that we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees including, without limitation, preparing marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing an accounting of contributions to the Fund and the annual statement of Fund contributions and expenditures provided for below; and, otherwise devoting our personnel, resources and/or funds for the benefit of the Fund. Our right to

expend monies from the Fund to reimburse us for such activities is exclusive of any advertising agency fees which the Fund must expend to secure the services of an advertising agency or to have print, broadcast or internet advertising placed by an agency. The Worldwide Fund may (in our sole judgment) be combined with advertising funds from our franchisees, affiliates who operate Boustan franchise systems in other territories and/or regional marketing funds from other Boustan master franchisees.

E. Within 60 days following the close of our fiscal year, we may prepare (but not audit) a statement detailing Fund income and expenses for the fiscal year just ended, a copy of which statement will be sent to you upon request.

F. We expect to expend most contributions to the Fund for advertising during the fiscal year when the contributions are made. If we expend less than the total sum available in the Fund during any fiscal year, we may either expend the unused sum during the following fiscal year or rebate all or a portion of the unused sum to franchisees on a pro rata basis for them to spend on local advertising and promotion (as provided for in subsection G). If we advance and expend an amount greater than the amount available in the Fund in any fiscal year (in addition to any sum required to be expended because we did not expend all the sums in the Fund during the preceding year), we will be entitled to reimburse ourselves from the Fund during the following fiscal year for all such advanced sums, with interest payable on such advanced sums at the greater rate of 1.5% per month or the maximum commercial contract interest rate permitted by law (with interest accruing the first calendar day following the day on which we advance and expend any such sum).

G. We reserve the right to use any media, create any programs and allocate advertising funds to any regions or localities in any manner we consider appropriate in our business judgment. The allocation may include rebates to individual franchisees of some or all of their Worldwide Fund Contributions for local advertising expenditures if, in our judgment, our national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities. If we determine that the total Worldwide Fund Contributions collected from all Boustan franchisees and company-owned Boustan Restaurants is insufficient to sustain a meaningful regional or national advertising campaign, we may rebate all or a portion of the Fund contributions to franchisees and our (or our affiliates') company-owned Boustan Restaurants on a pro rata basis. Franchisees must expend any rebate on the types of local advertising and media that we determine. All rebate advertising expenditures must be documented to us in a monthly rebate advertising expenditure report form which we will furnish in our Manual or otherwise.

H. The Fund will not be used for any activity whose sole purpose is the sale of franchises. However the design and maintenance of our web site (for which Fund monies may be used) may, without violating the provisions of this Agreement, include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the Boustan brand and the franchise opportunity.

I. Each Boustan Restaurant which we or our affiliates may in the future establish and operate will not be required to contribute to the Worldwide Fund a percentage of its Gross Revenues identical to the percentage which then prevails for Boustan Restaurant franchisees.

J. Although the Fund is intended to be a perpetual duration, we maintain the right to terminate the Fund, but will not do so until all of the monies in the Fund have been expended for advertising and promotional purposes.

10.02 Advertising Standards You Must Comply With

You may only use advertising which we have either furnished or approved in writing in advance. In the event we develop and offer for sale advertising materials to you, you will be required to purchase, at your own costs, all such material from us (and we are not currently, but may be in the future, a Sole Approved Supplier of same).

You agree to conduct all advertising which uses the Proprietary Marks or refers in any way to your Boustan Restaurant in a dignified manner and in a fashion calculated to avoid fraud, illegality, deception, misrepresentation, embarrassment, shame, ridicule, disparagement or liability of any type or nature accruing to you, us, the System, your Boustan Restaurant or other Boustan franchisees or Boustan Restaurants. You

agree to conform all of your advertising to the standards, specifications and requirements specified in writing by us, in our Manual or otherwise.

If we learn that you have breached these requirements, we will notify you in writing and if you do not cure the breach within three days following delivery of our notice, then we may terminate or remove any unauthorized advertising at your expense, and will also be entitled to terminate this Agreement unilaterally and immediately upon notice to you (which we may also do if your breach, by its nature, is incurable).

Under this Agreement, the term “advertising” is defined to mean any and all advertising, identification and promotional materials and programs of any type or nature whatsoever including print and broadcast advertisements; direct mail materials; brochures; advertising specialties; electronic commerce communications and “bulletin boards”; any advertising on the internet/worldwide web; any advertising or promotion on social media; public relations and brand awareness programs; freestanding inserts and coupons; sponsorships; point of sale materials; press releases; business cards; displays; leaflets; telephone and computer greetings; messages and voice-mail/e-mail sent to or accessible by customers or other third parties; promotional material captured in any electronic medium; any advertising through any hereafter developed media, platforms, devices or modes of communication; and, any other material or communication which we denominate as “advertising” in our Manual or otherwise.

You agree to submit to us for approval, before use or dissemination, copies of all proposed advertising you intend to use (except for advertising which we furnish to you under this Agreement or advertising you have previously submitted and we have approved). Our approval of any of your proposed advertising may be withheld for any or no reason. If we do not respond within 10 business days following our documented receipt of your proposed advertising material, then our approval will be deemed withheld and the proposed advertising material not approved. You acknowledge that our grant or denial of our approval of your proposed advertising will not give rise to any liability on our part and you waive any possible claims against us to the contrary.

10.03 Opening Advertising Campaign, Local Advertising and Promotion

We reserve the right to require you to pay us, upon signing this Agreement, \$10,000, which shall serve as the budget of the Opening Advertising Campaign for your Boustan Restaurant. You and we will work together to create an Opening Advertising Campaign, which will set forth your advertising and promotional obligations during the period immediately prior to and after the scheduled Opening Date (as defined in Section 8.01) of the Boustan Restaurant. Once an Opening Advertising Campaign has been finalized and approved, you agree to execute the Opening Advertising Campaign, utilizing the budget, and to fulfill your obligations under same. You undertake to assume full responsibility for the Opening Advertising Campaign. We may require you and you agree to submit proof of your expenditures under the Opening Advertising Campaign.

After your obligations under the Opening Advertising Campaign have been fully satisfied, you agree to expend 1% of the previous week’s Gross Revenues on local advertising and promotion. “Local advertising and promotion” means the local or regional Advertising and promotional activities that we specify in our Manual or otherwise, or approve in advance as provided in Section 10.02.

On or before January 15th of each year during the term of this Agreement, and at any other times that we may require, you agree to furnish to us copies of all statements, invoices and checks issued during the preceding year showing that you have spent the required amounts for local advertising. You further agree to furnish to us an accurate accounting of all expenditures for local advertising and promotion in the previous calendar year, at the same time that you submit the annual financial statements required by Section 11.01 below.

10.04 Advertising Cooperatives

We may, from time to time, establish, change, merge or dissolve regional advertising cooperatives for a geographic area which encompasses two or more Boustan Restaurants (each a "Regional Advertising Cooperative"). We will furnish to you written notice of the establishment of any Regional Advertising Cooperative for the geographic area surrounding your Restaurant Location. The notice will specify the date you are to begin contributions and the amount of the contributions. Contributions will be calculated as a

percentage of Gross Revenues as defined in Section 5.05 above. Your contributions to a Regional Advertising Cooperative will not be less than 1% nor more than 2% of your Gross Revenues, unless the maximum contribution is changed by franchisee Regional Advertising Cooperative members in accordance with the terms of the Bylaws of the Regional Advertising Cooperative. You will be entitled to a credit against your minimum local advertising and promotion requirement as set forth in Section 10.03 for contributions made to a Regional Advertising Cooperative.

Boustan Restaurants that are owned and operated by us or an affiliate of ours and are within the geographic area of a Regional Advertising Cooperative will participate in and contribute to the Regional Advertising Cooperative on the same basis as required of franchisee members of the Regional Advertising Cooperative.

A Regional Advertising Cooperative may expend its funds for any or all of the following purposes: (i) development of advertising ideas and concepts; (ii) development of market research and merchandising programs; (iii) preparation of advertising campaigns; (iv) development of promotional ideas and strategies; (v) preparation of collateral creative materials; (vi) preparation of advertisements; (vii) placing and paying for regional marketing and advertising; (viii) planning, negotiating, contracting and trafficking all media programs; (ix) employing advertising agencies to assist in these activities and securing other technical and professional advice in connection with the above; (x) other public relations; and, (xi) administration of the Regional Advertising Cooperative, including legal and accounting services. It will not be a requirement that expenditures made by a Regional Advertising Cooperative be proportionate to your contributions or those of any other franchisee.

Your failure to make any required payments to any Regional Advertising Cooperative will be a material breach of this Agreement which, unless cured as provided in Section 17.03, may result in this Agreement being terminated.

11. RECORDS, AUDITS, REPORTING REQUIREMENTS AND PRIVACY

11.01 Financial Statements

A. No later than 10 days following the end of each month during the Term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the Boustan Restaurant's profit and loss for the month, a consolidated balance sheet as of the end of the month, a consolidated cash flow statement as of the end of the month, a comparison of each statement to the prior year's month and a narrative description of the business and operating results. You must certify these statements to be true and correct.

B. No later than 90 days following the end of each of your fiscal years during the Term of this Agreement, you agree to furnish to us, in a form we approve, complete financial statements for the fiscal year ended for your Boustan Restaurant (including a profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year), prepared on a compilation basis and certified to be true and correct by you. We reserve the right to require these annual financial statements to be audited by an independent certified public accountant.

C. The financial statements required above must be prepared in accordance with United States generally accepted accounting principles, including all disclosures required under those principles.

D. No later than 30 days following your filing of the annual tax returns of your Boustan Restaurant, you agree to furnish to us exact copies of the tax returns, including federal, state and any local income tax returns, together with a certificate from an independent certified public accountant that all Social Security payments, taxes and fees required to be paid by you to any governmental agency or entity have been paid, and that if you are a business entity, there is no reason to believe that your business entity's status has been impaired.

E. If you do not timely furnish to us any of the financial statements or tax returns required above in this Article 11 then you agree to pay us a late charge of \$50 per month that each financial statement or tax return is overdue. We may also in such circumstance elect to terminate this Agreement upon giving you notice and an opportunity to cure your default.

F. You authorize us to incorporate in our franchise disclosure document and/or promotional literature information derived from the above financial statements, so long as you or your Boustan Restaurant are not individually identified.

11.02 Financial Records and Audit

A. You agree to record all Gross Revenues received by and all expenditures made by you or your Boustan Restaurant. You further agree to keep and maintain adequate records of all such Gross Revenues and expenditures and to maintain accurate books, records and tax returns, including related supporting material (such as cash receipts, and credit and charge records) for your Boustan Restaurant. We may specify, in our Manual or otherwise, the forms and media that you will be required to use in recording your Boustan Restaurant's Gross Revenues and expenditures. You agree to keep and preserve for 7 years (or such longer period as may be required by any law, rule or regulation) the types and classes of electronic and/or other books, records and tax returns that we specify in our Manual or otherwise, along with all business, personnel, financial and operating records, in any media, relating to your Boustan Restaurant. If you do not maintain the required records, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. We and/or our agents (who may be outside accountants and auditors), designees and/or employees will have the right, at any time, with or without written notice to you, during normal business hours, to enter your Boustan Restaurant and any other offices at which the business of the Boustan Restaurant is administered, in a fashion calculated not to disrupt your Boustan Restaurant's and such other business's operations, to inspect, audit and make copies of all records including, but not limited to, the following: books of accounts; bank statements; cash or other receipts; checkbooks; documents; records; sales and income tax returns (federal, state, foreign and, if applicable, city); and, your files relating to programs, services and products sold, business transacted and expenditures relating to the Boustan Restaurant. These files must include (without limitation) your operating records; bookkeeping and accounting records; customer lists; customer job orders; operating records; operating reports; correspondence; general business records; your copy of the Manual (as amended); invoices; payroll records; journals; ledgers; files; memoranda and other correspondence; contracts; and, all sources and supporting records used to prepare the reports and forms which you are required to submit to us under this Agreement, including the books or records of any business entity which owns the Boustan Restaurant. You agree to make any of these materials available for examination at your offices. Alternatively, we may determine to conduct any such audit either at our offices or at the office of a designee of ours and, if we do, you will be required to transmit some or all of the foregoing books and records to us or our designee. In addition to the foregoing, we may require you to scan and electronically transmit to us such volume of the above-referenced records, files and documents as will not unreasonably burden the Boustan Restaurant.

C. If an audit reveals that you understated the Gross Revenues on your weekly reports to us by any amount for any month within the period of examination, or for the entire period of examination, when compared to your actual Gross Revenues, then you agree to immediately pay us the additional amount payable as shown by the audit, plus interest calculated as provided in Section 5.06(D). If we audit your Boustan Restaurant and you understated the Gross Revenues by greater than 2% but less than 5% for any month or for the entire period, then you must immediately pay us the cost of the audit and the additional amounts owing, plus interest calculated as provided in Section 5.06(D). If an audit reveals an understatement by you by 2% or more 3 times within any 36 month period or 5% or more during any reporting period, then in addition to paying the additional amounts due, interest calculated as provided in Section 5.06(D) and the full cost of the audit for the entire period of examination, your understatement will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

12. CONFIDENTIAL INFORMATION AND COVENANTS NOT TO COMPETE

12.01 Restriction on Use of Confidential Information

You agree to use and permit the use of our Confidential Information (as defined below) solely in connection with the operation of your Boustan Restaurant. You further agree that you will never – during the Initial Term or any Renewal Term of this Agreement, or any time after this or any Renewal Franchise Agreement expires or terminates, or your rights under this Agreement or any Renewal Agreement are assigned or terminated – divulge or use any of our Confidential Information for the benefit of yourself, your owners (if you are a business entity) any third party (including any person, business entity or enterprise of any type or nature), nor will you directly or indirectly aid any such third party to imitate, duplicate or “reverse engineer” any of our Confidential Information.

“Confidential Information” means all information, knowledge, trade secrets or know-how utilized or embraced by the System or which otherwise concerns your or our systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software. Confidential Information includes (without limitation): all elements of the System and all programs, products, services, equipment, technologies, recipes, food and beverage preparation techniques, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; our Manual (including Supplements to the Manual); all specifications, procedures, systems, techniques and activities employed by us or by you in the offer and sale of programs, products and/or services at or from your Boustan Restaurant; all pricing paradigms established by us or by you; all of our and/or your sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); our specifications, and your final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Boustan Restaurant; the identity of, and all information relating to, the Computer and POS System hardware and software utilized by us and you; all information pertaining to our and/or your advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists and records generated and/or otherwise maintained by your Boustan Restaurant; our internet/web protocols, procedures and content; our training and other instructional programs and materials; all elements of our recommended staffing, staff training and staff certification policies and procedures; all communications between you and us (including the financial and other reports you are required to submit to us under this Agreement); additions to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which we employ now or in the future; and, all other information, knowledge and know-how which either we or our affiliates, now or in the future, designate as confidential.

Confidential Information will not, however, include information which you can demonstrate came to your attention before we disclosed it to you (unless illegally or improperly procured by you before our disclosure) or which, at or after the time of disclosure, has become a part of the public domain through publication or communication by others, but not through any act of yours.

Except as authorized in this Agreement, you agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information, in whole or in part; otherwise share it with any other third party individual or entity; store it in a computer or other electronic format; or, otherwise make it available to any third party by any other means whatsoever. Upon the expiration or termination of this Agreement, you agree to return to us such Confidential Information as we request (including customer lists and records; all training materials and other instructional content; financial and non-financial books and records; the Manual; and, computer databases, software and manuals) which is then in your possession or, upon our request, destroy all or certain such Confidential Information and certify such destruction to us. It is specifically understood that all customer lists or information adduced by your Boustan Restaurant is our property, not yours, and you shall never contend otherwise.

You must only divulge such Confidential Information to your operational personnel as is necessary for each to perform his/her functions and then only on a “need to know” basis. You agree to take all necessary precautions to ensure that these individuals maintain the Confidential Information in confidence and comply

with the confidentiality provisions of this Agreement. Your agreement to procure execution of our Confidentiality/Non-Competition Agreement from certain of your owners, management and staff as set forth below in Section 12.05.

12.02 Covenant Not to Compete

You agree that (i) at any geographic location whatsoever during the Initial Term and any Renewal Term of this Agreement, and (ii) within ten miles of the perimeter of your Restaurant Location or within ten miles of the perimeter of any other franchised or company-owned Boustan Restaurant (regardless of how established or operated) for a period two years immediately following the termination or expiration of this Agreement or any Renewal Agreement for any reason, you will not directly or indirectly engage in, aid, assist, serve or participate in any other business or activity (a "Competitive Business") which (i) offers or sells any of the products or services which now or hereafter are authorized for sale under the System, including (without limitation) Mediterranean cuisine (including shawarma chicken, shawarma beef and falafel, in the form of plates, pitas and trios) or (ii) is a restaurant or establishment with the same or similar look and feel as a Boustan Restaurant.

You are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, member, director, manager, officer, employee, principal, agent, advisor, consultant, lessor, sublessor or any similar capacity. In addition, you agree not to divert any business that should be handled by your Boustan Restaurant to any other person or business entity. It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a Competitive Business. Nothing in this Agreement will prevent you from owning for investment purposes only up to an aggregate of 5% of the capital stock of any Competitive Business you do not control, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange.

Further, during the Term of this Agreement or the term of any Renewal Franchise Agreement, and for two years following the termination or expiration of same for any reason, you agree not to: (i) solicit for employment or hire our management personnel, the management personnel of any of our affiliates or the management personnel of any other Boustan Restaurant without first obtaining any written permission from us and the employer(s) of the personnel in question, or (ii) sell, assign, Lease or otherwise grant possession of your Boustan Restaurant and/or Location to any individual or business entity which intends to utilize same to conduct a Competitive Business thereat (and it shall be your affirmative duty in connection with any such sale, assignment or other disposition of your Boustan Restaurant and/or Restaurant Location to secure a written memorialization from the purchaser, assignee, lessee, sublessee or permittee that it has no intent to conduct a Competitive Business, as herein defined, following the subject transaction).

It is the intention of these provisions that any person or entity within a legal or beneficial interest in or traceable to, down or through you be bound by the provisions of this covenant, including (without limitation) your spouse, brother, brother-in-law, sister, sister-in-law, parents, parents-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary of yours; and, any other related person or entity, regardless of how many levels or tiers there may be between you and the person or entity.

If you are a business entity, you agree to cause your (as applicable) owners, members, shareholders, directors, officers, partners, general partner, proprietor and or any other beneficial owner to refrain from any of the competitive activities described above in any manner which we reasonably request. In all instances, you shall also cause your Operating Principal, your Restaurant Manager and all other key management employees of your Boustan Restaurant to refrain of any of the competitive activities described above in any manner which we reasonably request. Your agreement to procure the execution of our Confidentiality/Non-Competition Agreement from certain such individuals is set forth below.

12.03 Lesser Included Covenants Enforceable At Law

If all or any portion of the covenants not to compete set forth in this Article 12 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the

court or agency is hereby empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You expressly agree to be bound by any lesser covenants subsumed within the terms of this Article 12 as if the resulting covenants were separately stated in and made a part of this Agreement.

12.04 Enforcement of Covenants Not To Compete

You acknowledge that any violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement. You expressly agree that any violation of the covenants not to compete will conclusively be deemed to have been accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. Further, you expressly agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

12.05 Procurement of Additional Covenants

You agree to require and obtain the execution of our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit D from each of the following persons:

1. Before employment or any promotion, your Operating Principal your Restaurant Manager and all other managerial personnel; and,
2. If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you. You shall procure all such Confidentiality/Non-Competition Agreements no later than 10 days following the Effective Date (or, if any individual or business entity attains any status identified above after the Effective Date, within 10 days following such individual or business entity's attaining such status) and shall furnish to us copies of all executed Confidentiality/Non-Competition Agreements within 10 days following their execution.

12.06 Your and Our Enforcement of Confidentiality/Non-Competition Agreements

You agree to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed by any of the individuals referenced in Section 12.05, and you acknowledge our right, to be exercised as we alone determine, to ourselves and enforce the terms of any such executed Confidentiality/Non-Competition Agreement. If the substantive provisions of our Confidentiality/Non-Competition Agreement have been breached by an individual employed, engaged or otherwise serving your Bousthan Restaurant who has not executed a Confidentiality/Non-Competition Agreement, you must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

13. CONDITIONS TO AND PROCEDURES GOVERNING RENEWAL

13.01 Conditions to Renewal

Your right to enter into a Renewal Franchise Agreement will be conditioned on the following:

- A. You must submit a written request to us for a business review no more than 12 months before the expiration of the Initial Term of this Agreement of your intent to enter into a Renewal Franchise Agreement;
- B. Throughout the Initial Term and at the time of renewal you must have performed all of your material obligations and been in substantial compliance with the terms of this Agreement, the Manual and other agreements between you and us or our affiliates;

- C. At the time of renewal you must be current on payment of all monetary obligations relating to your Boustán Restaurant, to us, our affiliates, the lessor or sublessor of your Restaurant Location and any other material third party supplier of yours;
- D. Before the commencement of the applicable Renewal Term, you must refurbish, redesign and/or remodel your Boustán Restaurant as we reasonably require to meet our then-current standards;
- E. You, your Operating Principal, your Restaurant Manager (as applicable) and any other management and staff we designate must attend and successfully complete any training that we may reasonably require, at your expense;
- F. You must pay us a renewal fee of 20% of the our then-current Initial Franchise Fee for similarly situated franchisees (plus you must reimburse us for all legal and administrative costs that we incur in connection with approving and memorializing such renewal) no less than 3 months before the expiration of the Initial Term of this Agreement;
- G. You must be able to renew the Lease for your Restaurant Location on terms acceptable both to you and us, without any interruption of business in compliance with the terms of Section 6.02; and,
- H. You must have signed our then-current standard form General Release. This General Release will not release us from any future claims related to any Renewal Franchise Agreement but will release us from any and all claims you may have related to this Agreement.

If you have satisfied these conditions, then we will provide you with a Renewal Franchise Agreement in the manner specified in the following section.

13.02 Renewal Procedures

You must exercise your renewal right under this Agreement in the following manner:

- A. You must submit a written request to us for a business review no more than 12 months before the expiration of the Initial Term of this Agreement of your desire to enter into a Renewal Franchise Agreement.
- B. Within 30 days after our receipt of your notice, we will deliver to you a copy of our then-current franchise disclosure document (if we are then legally required to do so) and a copy of your Renewal Franchise Agreement in a form ready to be executed by you (together, the "Renewal Package"). You must acknowledge receipt of the Renewal Package in any fashion that we reasonably specify.
- C. No sooner than 15 days, but no later than 25 days, after you receive our Renewal Package, you must execute the Renewal Franchise Agreement and return it to us.
- D. If you have exercised your renewal right as described above and have complied with all of the procedures set forth herein, and on the date of expiration of the Initial Term you satisfy all of the conditions to renewal identified in Section 13.01 of this Agreement, then we will execute the Renewal Franchise Agreement previously executed by you and will, deliver one fully executed copy of your Renewal Franchise Agreement to you.
- E. If you do not perform any of the acts or deliver any of the writing required herein in a timely fashion, this will be considered your conclusive election not to exercise your right to enter into a Renewal Franchise Agreement and such right will then automatically lapse and expire without further notice or action by us. If this occurs, this Agreement will terminate at the end of the Initial Term, except for the post-termination and post-expiration provisions of this Agreement which by their nature will survive.
- F. Notwithstanding the exercise of any renewal option, if you fail to comply with any condition stipulated in this Article 13 within the time prescribed herein above, if you fail to meet one

or more of its obligations under this Agreement at any time before the end of the Initial Term or the Renewal Term, as the case may be, or if this Agreement is terminated for any reason before the end of the Initial Term or the Renewal Term, any notice to exercise any renewal option provided by you, shall automatically and without notice be deemed to have been withdrawn and cancelled by you. In the event of such withdrawal and cancellation, any and all options to renew automatically become null and void and you will no longer have any right to renew this Agreement.

G. Time is of the essence with regard to this Section 13.02.

13.03 Notice of Expiration

If applicable law requires us to give you notice of expiration of this Agreement at a specified time prior to such expiration, and we have not done so, then the term of this Agreement will be extended to the date following which our notice has been given and the legally required notice period has expired.

14. ASSIGNMENT

14.01 Assignment By Us

We have the right to assign all of our rights and privileges under this Agreement to any person or business entity. If we assign this Agreement, you expressly agree that immediately upon and following such assignment, we will no longer have any obligation - - directly, indirectly or contingently - - to perform or fulfill the duties or obligations imposed upon "Franchisor" hereunder. Instead, all such duties and obligations will be performed solely by our assignee, and you will never assert, contend or complain otherwise.

You agree and affirm that we may undertake a refinancing, recapitalization, securitization, leveraged buyout or other economic or financial restructuring. You expressly waive any and all claims, demands or damages arising from or related to such activities.

You also agree that we may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise or license those other businesses and/or facilities under any names or marks, including the Proprietary Marks, regardless of the location of these businesses and/or facilities, which may be immediately proximate to the Restaurant Location.

14.02 Assignment By You – General

You understand and acknowledge that we have entered into this Agreement in reliance on and in consideration of your singular personal skills and qualifications (or, if you are a business entity, the personal skill and qualifications of your owners and managers), and the trust and confidence that we repose in you (or your owners and managers, if you are a business entity), and that this Agreement and the franchise conveyed hereunder are therefore personal to you and are your personal obligation. Accordingly, except as provided below, neither all nor any part of your interest in this Agreement; the franchise conveyed hereby; your rights, privileges or obligations under this Agreement; your Boustan Restaurant; the ownership of your Boustan Restaurant; your Lease; or, your rights to use the System, Proprietary Marks, Confidential Information and/or Manual may in whole or in part be assigned, sold, transferred, pledged, encumbered, shared, sublicensed or divided ("assigned"), voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any fashion without first obtaining our written consent in accordance with this Article 14 (which consent will not be unreasonably withheld) and without first complying with our right of first refusal pursuant to Section 14.06 below. For purposes of this Agreement, whenever any of the foregoing actions take place, there is an "assignment."

Any actual or attempted assignment in violation of the terms of this Article 14, will be null, void and of no effect, and will be a material and incurable breach of this Agreement which, unless we waive to the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

If you are a business entity, then for the purposes of this Agreement, “assignment” includes (without limitation) the transfer, issuance or redemption in the aggregate of more than 25% of the voting power or (as applicable) the capital stock, partnership interest, membership interest or any other species of ownership interest in you (or any lesser percentage sufficient to control your business entity or the Boustan Restaurant, as the term “control” is most broadly defined by any United States or state securities and/or corporate and/or partnership law) to any person or entity who is not (i) already a (as applicable) shareholder, member, partner or other category of owner of your Boustan Restaurant; (ii) the spouse of such individual; (iii) a trust controlled by such individual; or, (iv) a business entity owned, controlled and composed solely of such individuals in the same proportionate ownership interest as each such individual had in you before the assignment, as provided below. You agree to immediately report to us all such transfers or assignments of ownership in your business entity, even if less than 25%, in accordance with the procedure set forth in our Manual or otherwise.

14.03 Assignment By You – To A Business Entity You Form

If you are an individual and would like to make an assignment to a business entity you form solely for the convenience of business entity ownership, you must obtain our prior written consent. We will not unreasonably withhold consent if all of the following conditions are met:

- A. The business entity must be newly organized and duly formed, and its activities must be confined exclusively to serving as “Franchisee” under this Agreement (unless we otherwise consent in writing).
- B. You must be the sole owner of all ownership interests in the business entity and must be its principal officer or business manager (as applicable) (or the sole owner of 75% or more of all ownership interests in the business entity, with the remaining owners being your spouse and/or adult children).
- C. If more than two individuals serve as “Franchisee” hereunder, each individual must have the same proportionate ownership interest in the business entity as he or she had in your Boustan Restaurant before the transfer.
- D. You and the business entity must execute an agreement with us under which you and the business entity agree to be jointly and severally liable for all duties, responsibilities and obligations to us under this Agreement and expressly agree to be bound by all of the terms, conditions and covenants of this Agreement. Each then-current and future owner of any interest in the business entity must execute a Guarantee in the form of Exhibit E to this Agreement.
- E. You and each other present and future owner of any interest in the business entity must execute our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit D to this Agreement.
- F. The name of the business entity you form may not include the Proprietary Mark “Boustan”, any variant thereof or any word confusingly similar thereto.
- G. The business entity must comply in all respects with the requirements and prohibitions set forth in Section 8.21 of this Agreement (“Business Entity Requirements and Records”).

Any transfer pursuant to this Section 14.03 will not be subject to our right of first refusal below and will not require you to pay to us any transfer fee.

14.04 Assignment By You – Sale To Third Party

If we do not elect to exercise our right of first refusal (as provided in Section 14.06 below), then we will not unreasonably withhold consent to your sale, transfer or assignment of any interest in you (if you are a business entity), the franchise conveyed by this Agreement, your Boustan Restaurant or your Lease and your right to use the System, or any interest in any of these, to a third party. You agree that it will not be unreasonable for us to impose, among other requirements, the following conditions to granting consent to your proposed sale, assignment or transfer of any of the foregoing:

- A. That the proposed assignee (meaning individual or business entity which, after the proposed assignment, will be a franchisee under this Agreement or under any successor agreement) applies to us for acceptance as a franchisee and demonstrates to our satisfaction that the proposed assignee (and, if it is a business entity, each and every owner and guarantor of the proposed assignee) possesses the skills, qualifications, financial condition, background and history, reputation, economic resources, education, managerial and business experience, moral character, credit rating and ability to assume the duties and obligations under this Agreement or any successor agreement. You must pay the costs of any investigation required to be conducted by us.
- B. That, upon our request, the proposed assignee (or, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) presents himself, herself or itself for a personal interview at our corporate office, or any other location that we designate, at a date and time we reasonably request, without expense to us. We may determine to meet with the proposed assignee at his, her or its principal place of business or residence and, if we do, you will reimburse us for all travel, lodging, meal and personal expenses related to such meeting.
- C. That the proposed assignee has the organizational, managerial and financial structure and resources required to conduct your Boustan Restaurant properly, taking into account such factors (among others) as the number of Boustan Restaurants and market areas involved and their geographic proximity.
- D. That the proposed assignee complies with our ownership requirements relative to the control of the proposed assignee and your Boustan Restaurant.
- E. That the proposed assignee (and, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) complies with our restrictions relative to involvement in a Competitive Business.
- F. That the proposed assignee have those financial resources and capital to operate your Boustan Restaurant in accordance with our Standards as we indicate from time to time.
- G. That the proposed assignee; his, her or its proposed Operating Principals and Restaurant Managers; and, such other post-transaction employees of the Boustan Restaurant attend and successfully complete our Initial Training Program before the assignment, and any other training that we reasonably require, at the assignee's expense (which will include our then-current training fee and the cost of the trainees' transportation, lodging, food and other living expenses). Each individual undergoing such training must first execute the Confidentiality/Non-Competition Agreement (Exhibit D). We may waive these requirements if the proposed assignee is one of our existing franchisees in good standing.
- H. That, if required, the lessor or sublessor of your Restaurant Location consents in writing to the assignment to the proposed assignee.
- I. That, as of the date of the assignment, you have cured any existing defaults under this Agreement or any other agreement or arrangement with us or our affiliates, and have fully satisfied in all respects all of your accrued and/or then-current monetary and other obligations to us and our affiliates related to your Boustan Restaurant (under this Agreement or otherwise), all sources of financing of your Boustan Restaurant and all material sources of supply of your Boustan Restaurant.
- J. That the assignee execute a new franchise agreement with us, and all other agreements then required of a new franchisee, in the form and on the terms and conditions we then offer to new franchisees, which terms and conditions may vary significantly from those in this Agreement. The assignee will not be obligated to pay an initial franchise fee under the new franchise agreement but will be required to pay our then-current fees for furnishing our Initial Training Program and any other services we are required to furnish under the new franchise agreement.

The term of the new franchise agreement will be the balance of the Term of this Agreement. The execution of the new Franchise Agreement will terminate this Agreement, except for your Guarantees; any of your obligations to us or our affiliates which remain outstanding and/or unsatisfied; and, the post-termination and post-expiration provisions of this Agreement which, by their nature, will survive.

- K. That the assignee has acquired, or will be able to immediately acquire following the execution of the new franchise agreement, all permits, licenses and other authorizations required by any federal, state or local, rule or regulation to operate your Bousthan Restaurant. If applicable law enables you to assign any of the aforementioned permits, licenses and/or authorizations which you possess to the assignee, then you agree to do so immediately following our execution of the assignee's new franchise agreement.
- L. Notwithstanding the foregoing, you understand and agree that you will remain fully liable and responsible for all of your obligations to us and our affiliates under this Agreement which arose in connection with the operation of your Bousthan Restaurant prior to the effective date of the assignee's new franchise agreement (specifically including your obligation to indemnify us and the other Franchisor Parties identified in Section 8.13) and you agree to execute any and all documents we reasonably request to further evidence such liability.
- M. That if the proposed assignee is a business entity, we have the absolute right to require any owners or other parties having an interest in the proposed assignee or the Restaurant Location to execute the Guarantee (Exhibit E).
- N. That the Total Sales Price of your assignment is not so excessive, in our sole determination, that it jeopardizes the continued economic viability and future operations of your Bousthan Restaurant and/or the assignee. "Total Sales Price" means all consideration of every kind paid or payable to you or any other person in connection with, arising out of or relating to the assignment, whether money, property or other thing or service of value including consideration received for all or part of your Bousthan Restaurant; your rights under this Agreement; contracts; goodwill; restrictive covenants; consulting arrangements; your furniture, fixtures, equipment and trade dress elements; accounts receivable; any consulting salary; or, any other fees or arrangements or other form of consideration, whether the consideration is received in the present or promised to be given to the assignor or any other person in the future (including the highest possible value of any contingent future consideration).
- O. That you and, if you are a business entity, each of your owners and guarantors, and the assignee (and if the assignee is a business entity, each of its owners and guarantors) execute our standard form General Release.
- P. That if the assignee is a business entity, all of the requirements of its new franchise agreement concerning business entities must be complied with before we will execute the new franchise agreement and, as applicable, will continue to be complied with thereafter.
- Q. That you furnish us with a copy of any proposed contract of assignment (and any related agreements) and, promptly following execution, furnish to us a copy of the executed contract of assignment (and any related agreements).
- R. That upon our request, either you and/or the proposed assignee, at your/its own expense, modify your Bousthan Restaurant to conform it to our then-current standards and specifications for System Bousthan Restaurants in the United States and complete such modifications, at our election, either prior to the contemplated assignment or a later time reasonably specified by us.
- S. That you pay us a transfer fee equal to 50% of our then-current initial franchise fee, plus reimburse us for our legal, accounting and other expenses incurred in connection with your assignment.

- T. That neither the proposed assignee nor any of its owners or affiliates directly or indirectly owns, operates or has any interest in, or has a material business relationship with, a Competitive Business.

You expressly agree that your obligation to indemnify and hold harmless us and the other Franchisor Parties under Section 8.13 of this Agreement extends to and embraces liabilities arising from or relating to, directly or indirectly, any statements, representations or warranties that you may give to or receive from any proposed assignee and/or any claim that you (and, if you are a business entity, your owners, Operating Principal, Restaurant Manager, management or employees) or your assignee engaged in fraud, deceit, violation of franchise laws or other illegality in connection with the negotiation or consummation of the assignment. As with all other indemnification obligations set forth in this Agreement, this specific indemnification obligation will survive the termination or expiration of this Agreement.

You further understand and agree that our consent to any assignment transaction will not constitute our waiver of any claims against you by us or our affiliates, under this Agreement or otherwise.

The provisions of Section 14.02 through Section 14.04 inclusive pertain to any Lease, management agreement or other agreement which would have the effect of transferring any material asset or control of all or any part of the operations of your Boustan Restaurant to any third party. Any such agreement must first be approved by us in writing. We will not unreasonably withhold our approval, but our approval may be denied if such agreement is on terms materially different from those which would result from arms-length negotiations or if we determine that the fees payable under such agreement are excessive. Any such agreement and any party thereto who, as a result of the agreement, may directly or indirectly be involved in the ownership of the assets or operations of the Boustan Restaurant must meet such standards and conditions as we have put in place at the time you request our consent.

14.05 Assignment By You – Transfer Upon Death or Disability

If you are a business entity, then upon the death or disability of one or more of your owners (but not the last surviving owner of your business entity, which is addressed in the following paragraph), then the estate, heirs, legatees, guardians or representatives of such owner may freely assign the deceased's or disabled's interest in this Agreement and/or its interest in you or your Boustan Restaurant to any of the following: (i) the spouse of such owner; (ii) any individual or business entity which, at the time of the subject death or disability, is already a (as applicable) shareholder, member, partner or other category of owner of you; or, (iii) you. Any other assignment of the deceased's or disabled's interest in you or your Boustan Restaurant shall be subject to all of the provisions of Section 14.04 of this Agreement. You agree to immediately report to us any such assignment in accordance with the procedure set forth in our Manual or otherwise.

Upon your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), that individual's rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the "Estate").

The Estate shall have a reasonable period of time (not to exceed 6 months) following the death or disability to assign you (if you are a business entity) or your Boustan Restaurant (as applicable) in accordance with the provisions of Section 14.05 and subject to our right of first refusal under Section 14.06. Until such assignment is consummated, the Estate may continue the operation of your Boustan Restaurant, but only if, at all times, one or more approved Operating Principals and Restaurant Managers, as necessary, of your Boustan Restaurant are at all times supervising the operation of your Boustan Restaurant and, further, only if all other terms, covenants and conditions of this Agreement are complied with. Failure to comply with one of the above alternatives will be a material breach of this Agreement which, unless cured by the Estate, will result in this Agreement being terminated immediately upon notice.

If at any time following your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), the Estate fails to have one or more approved Operating Principal and Restaurant Manager, as necessary, supervising the operation of your Boustan Restaurant on a full time basis, then until the Estate retains one or more approved Operating Principal and Restaurant Manager, as necessary, we may assume full control of and operate your Boustan Restaurant, but will have no

obligation to do so. If we do so, then during this period, we will deduct our expenses for travel, lodging, meals and all other expenses and fees from your Boustan Restaurant's Gross Revenues and also pay ourselves a management fee equal to the greater of: (i) two times the salary paid to the individual(s) assigned by us to operate your Boustan Restaurant, or (ii) 10% of your Boustan Restaurant's monthly Gross Revenues. This management fee will be in addition to the Royalties due us under this Agreement. We will then remit any remaining funds to the Estate. The Estate and any Guarantor of this Agreement must pay us any deficiency in sums due to us under this Agreement within 10 days of our notifying the Estate and such Guarantor of the deficiency. We will not be obligated to operate your Boustan Restaurant. If we do so, we will not be responsible for any operational losses of the Boustan Restaurant, nor will we be obligated to continue operating the Boustan Restaurant.

"Disability" means any physical, emotional or mental injury, illness or incapacity which prevents or will prevent a person from performing the obligations set forth in this Agreement for at least 90 consecutive days. Disability will be determined either after this 90 day period or, if we elect, at an earlier time following an examination of the person by a licensed practicing physician selected and paid for by us. If the person refuses to submit to an examination, then the person will automatically be considered permanently disabled as of the date of the refusal.

14.06 Right of First Refusal

Your rights to assign any interest in this Agreement or the Boustan Restaurant, voluntarily or by operation of law (as provided above), will be subject to our right of first refusal (except in those instances specified above where there is no such no such right of first refusal), which right of first refusal we may freely assign to any individual or business entity. We will exercise our right of first refusal in the following manner.

- A. You must deliver to us a true and complete copy of the proposed assignee's offer (the "Offer") including all its material terms and furnish to us any additional information concerning the proposed transaction and the proposed assignee that we reasonably request. Your submission of such information must be accompanied by the seller's representation and warranty that all of the information submitted to us is true, accurate, complete and correct in all respects and, if the seller is a business entity, you must also furnish us with an appropriate resolution of the business entity's governing body authorizing the proposed sale.
- B. We shall have 60 days following our receipt of the Offer (or, if we request additional information, 60 days following our receipt of the additional information) to conduct due diligence into the transaction. Our due diligence will be of the type, nature and scope customary for transactions similar to the proposed transaction at issue and, in connection with our due diligence, you agree to make available to us immediately upon demand all information, data, books, or written or electronic records which we may reasonably request and, as well, shall make available to us for inquiry each owner and Guarantor of your Boustan Restaurant, the Operating Principal, Restaurant Manager and any other personnel we specify. As well, all of the requirements of your proposed assignee specified above in Section 14.04 of this Agreement must be complied with.
- C. Within 60 days after our receipt of the Offer (or, if we request additional information, within 60 days after receipt of the additional information), we may either consent or withhold our consent to the assignment, in accordance with this Article, or at our option accept the assignment to ourselves or to our designee, on the terms and conditions specified in this Offer. If we or our designee accept the assignment, we will be entitled to all of the customary representations and warranties given by the seller of assets of a business, including (without limitation) representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and your contingent and other liabilities affecting the assets. Any dispute regarding the value of all or any part of the assets or rights proposed to be assigned and/or the consideration proposed to be paid or payable to you or any third party in connection with the proposed assignment shall be determined by a reputable independent appraiser we select, and you and we equally share the expense of, whose

determination will be final and binding on us. You expressly understand and agree that nothing in the offer which is the subject of the Offer to us may contain any provision or condition the effect of which would be to increase the cost to us, or otherwise change the economic or other material terms imposed on us, as a result of our substitution for the proposed assignee, or as a consequence of compliance with the procedures set forth herein regarding our right of first refusal.

- D. If you are a business entity and a partial transfer is proposed through the assignment or redemption of more than 25% of your entity's ownership interests other than to any of your entity's co-owners, then we or our designee will have the option to purchase not only the interests being transferred but also all remaining interests, so that our resulting ownership will be 100% of your business entity. The price of these remaining interests will be proportionate to the price of the interests initially being offered.
- E. Our credit will be considered at least equal to the credit of any proposed assignee. We may substitute cash for the fair market value of any other form of payment proposed in the Offer.
- F. If we give notice of our exercise of our right of first refusal, closing on our purchase must occur within the later of: (i) 60 days following your receipt of our notice to you; (ii) the closing period (if any) specified in the subject offer; or, (iii) such longer period as may be necessary to conduct the due diligence provided for above.
- G. If we give notice to you of the exercise of our right of first refusal, you agree to take all action necessary to assign any Lease with the lessor of your Restaurant Location to us.
- H. If we elect not to exercise our right of first refusal and we consent to the proposed assignment, then you will, subject to the provisions of this Article, be free to make the assignment on the terms and conditions specified in the notice if you satisfy the conditions of Section 14.04 for our approval of the assignment and if you close the transaction within 60 days (or such further time as may be stipulated by law, rule or regulation). If, however, the terms specified in the Offer are changed, the changed terms will be considered a new offer, and we will have an identical right of first refusal with respect to the new offer. Further, if you fail to close the assignment transaction within 60 days (or such longer period of time as may be stipulated by applicable law, rule or regulation), then our right of first refusal hereunder shall be restored and we may elect to exercise same within 30 days thereafter.
- I. Our election not to exercise our right of first refusal with respect to any Offer will not affect our right of first refusal with respect to any later or modified offer. If we do not exercise our right of first refusal, this will not constitute approval of the proposed assignee or of the transaction itself. You and the proposed assignee must comply with all the criteria and procedures for assignment specified in this Article 14.

14.07 Security Interest

Without our prior written consent (which will not be unreasonably withheld, delayed or denied), you may not pledge, encumber, mortgage, hypothecate or otherwise grant any third party a security interest in this Agreement, your Boustan Restaurant, any ownership interests in you (if you are a business entity), any ownership interests in any business entity which directly or indirectly controls you, your Lease or any of the tangible assets material to the operation of your Boustan Restaurant (including, without limitation, the premises of your Restaurant Location). We may require your compliance with any policy statement which we adopt and announce regarding security interests in Boustan Restaurants. We reserve the right to review and approve the terms of any security agreement or other document granting a security interest in any of the assets or interests described in this Section 14.07, which approval shall be in writing.

14.08 Your Offer and Sale of Securities

If you are a business entity and intend to offer and sell securities of any type or nature or other ownership interests in you, the Boustan Restaurant, any owner and/or any Guarantor, then you must give us written

notice at least 60 days prior to the date of commencement of any such offering. Any such offering shall be subject to our right of first refusal, as set forth above in Section 14.06, and shall comply with any written policies adopted and announced by us from time to time.

You must submit to us for our review and consent, at least 30 days prior to your filing them with any government agency, any and all materials required by federal and/or state law for any direct or indirect offer or sale of securities or other ownership interests. If your offering of securities or other ownership interests will be exempt from federal and/or state filing requirements, then any materials you will use in any such exempt offering shall be submitted to us for our review and consent at least 30 days prior to their use. Our review of your offering materials and information included therein will be conducted solely for our benefit and not for the benefit or protection of any other person. All of your offering materials and documents must include legends and statements as we may specify, including legends and statements which disclaim our liability for, or involvement in, your offer and sale of securities or other ownership interests, and must advise all offerees that our review of your offering materials must not be deemed in any fashion our approval, endorsement, acceptance or adoption of any representation, warranty, covenant or projection contained in those materials.

Your offer and sale of securities and other ownership interests is specifically embraced by your indemnification of us and the other Franchisor Parties identified in Section 8.13 of this Agreement. Any other participant in your offer of securities or other ownership interests must agree to fully indemnify us in a parallel fashion in that form which we prescribe.

You must pay us a non-refundable fee of \$10,000 or such greater amount as may be necessary to reimburse us for our reasonable costs and expenses in reviewing your proposed offering, including, without limitation, legal and accounting fees. In addition, you will be responsible for annually reimbursing us with all costs associated with providing reporting information requested in connection with the security.

14.09 Bankruptcy

If you, your Boustan Restaurant or any owner of you and/or your Boustan Restaurant is the subject of any voluntary or involuntary proceeding under the U.S. Bankruptcy Code, as amended, and if this Agreement does not terminate as provided in Section 17.01 below, but, instead, is to be assumed by, or assigned to, a third party individual or entity which has made a *bona fide* offer to accept an assignment of this Agreement as contemplated by the U.S. Bankruptcy Code, then you must notify us of any such proposed assignment or assumption within 5 days after your receipt of such proposed assignee's offer to accept assignment or to assume your rights and obligations under this Agreement. Such notice must be given to us, in any event, no later than 10 days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption.

The notice required above must contain the following: (i) the name and address of the proposed assignee; (ii) all of the terms and conditions of the proposed assignment and assumption; and, (iii) adequate assurance to be provided to us to assure the proposed assignee's future performance under this Agreement, including (without limitation) the assurance referred to in Section 365 of the U.S. Bankruptcy Code and the satisfaction of the preconditions to assignment set forth in Section 14.04 of this Agreement.

We will then have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed assignment and assumption, to accept an assignment of this Agreement to ourselves, upon the same terms and conditions, and for the same consideration (if any), as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions or other expenses which may be saved by you as a result of our exercise of the rights and options granted to us herein. Under no circumstance shall we be liable for the payment of any brokerage commissions or other expenses as a result of our exercise of our rights and options hereunder unless we otherwise agree in writing.

"Adequate assurance of future performance", as used above, shall mean that we shall have been furnished with specific evidence that any proposed assignee of this Agreement can and will comply with all operational and other performance requirements, and with all conditions, obligations, duties, covenants and requirements of a franchisee under: (i) this Agreement; (ii) the standard form franchise agreement then being offered to our

franchisees; (iii) such other ancillary agreements as we may require; and (iv) any of our policies describing our franchisees' duties, obligations, conditions, covenants or performance requirements. You understand and agree that adequate assurance of future performance shall mean that any proposed assignee must satisfy the conditions forth in Section 14.04 above.

14.10 Buy Back Option

At our election, at any time during the Initial Term or any renewal thereof (but not in the event of expiration or termination by us for cause, in which case we will have the right to purchase your Restaurant's assets in the manner described in Section 19.01 below), we will have the right (but not the obligation) to purchase the Restaurant at any time and for any reason, and which may include, but not be limited to, all of the furnishings, equipment (including any point of sale or computer hardware and software systems), signs, fixtures, supplies, and inventory of yours related to the operation of the Restaurant (collectively, the "Restaurant Assets"), as well as the franchise granted under this Agreement and the lease or sublease for your Restaurant. Our option shall be exercisable by providing you with ninety (90) days' written notice of our intention to exercise the option. You must sign all documents relating to the assignment and transfer as are reasonably necessary for purchase of the Restaurant or its assets by us. The purchase price will be established by, and subject to, the following terms:

(a) If your Restaurant has been open and in operation for less than one (1) year, the purchase price will be an amount equal to two hundred percent (200%) of the cumulative cost to you for all of the Restaurant Assets.

(b) If your Restaurant has been open and in operation for one (1) year or longer, the purchase price will be an amount equal to six (6) times your Restaurant's EBITDA. "EBITDA" means, in respect of any twelve (12) month period, your Restaurant's earnings before interest on borrowed money, income tax, depreciation and amortization, as determined in accordance with U.S. generally accepted accounting principles (commonly referred to as "GAAP").

(c) If we elect to exercise our option to purchase the Restaurant, we will have the right to set off all amounts due from you under this Agreement or any other agreements between the parties, and the cost of the appraisal, if any, against any payment to you.

You understand that this may be a premium price above fair market value and does not vest any rights in you.

The time for closing of the purchase and sale of the Restaurant Assets as described in this Section shall be a date not later than thirty (30) days after the purchase price is determined by the parties or the determination of the appraisers, or such date we receive and obtain all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date.

EBITDA shall be calculated based on your Restaurant's net reported earnings as reported on your most recent income statement or balance sheet covering the preceding twelve (12) month period, plus, to the extent deducted in determining such net income and without duplication: (i) your interest expenses on borrowed money for such period; (ii) your current income taxes for such period; (iii) depreciation of the Restaurant Assets for such period; and (iv) amortization of your Restaurant for such period.

We reserve the right to adjust EBITDA for any expenses which we determine, in our discretion acting reasonably, are not customary or ordinary for the operation of a Bousthan Restaurant.

14.11 No Waiver of our Rights

Our consent to any assignment shall not constitute a waiver of any claims we may have against you, your Bousthan Restaurant, any of your owners and/or any Guarantor. Nor shall such consent be deemed a waiver of our right to require exact compliance with any of the terms of this Agreement by any assignee.

15. PROPRIETARY MARKS

15.01 Our Ownership of Proprietary Marks

You agree that the Proprietary Marks are our (or our affiliates') exclusive property. You assert and will in the future assert no claim to any goodwill, reputation or ownership of the Proprietary Marks by virtue of your licensed use of the Proprietary Marks, or for any other reason. You agree that you will not do or permit any act or thing to be done in derogation of any of our rights or the rights of our affiliates in connection with the Proprietary Marks, either during or after the Term of this Agreement. You agree not to apply for or obtain any trademark or service mark registration of any of the Proprietary Marks or any confusingly similar marks in your own name. You agree to use the Proprietary Marks only for the uses and in the manner licensed under this Agreement and as provided in this Agreement. If you are a business entity, then you agree that under no circumstance will you incorporate any of the Proprietary Marks, any portion thereof or any name or mark derivative of or similar to the Proprietary Marks, in your business entity's name. You may never use the Proprietary Marks in connection with any other business except for your Boustan Restaurant. You agree that you will not, during or after the Term of this Agreement, impair the goodwill associated with the Proprietary Marks or in any way dispute or impugn the validity of the Proprietary Marks, our rights (or those of our affiliates) to the Proprietary Marks, or the rights of us, our affiliates, other franchisees of ours or other third parties to whom we may have licensed the Proprietary Marks.

You acknowledge that our rights in the Proprietary Marks are not limited to the specific presentation or configuration of any of them, but rather extend to all combinations and displays of the words and/or design elements thereof and extend to all translations of them in any language. Further, you acknowledge and agree that our rights in and to the Proprietary Marks are not limited to such rights as may be conferred by registrations thereof or by applications for registrations but, instead, include extensive common law and other rights in the Proprietary Marks vested in us as a result of their use by us or our affiliates and other authorized parties.

15.02 Limitations on Your License to Use the Proprietary Marks

Nothing in this Agreement will give you any right, title or interest in or to any of our (or our affiliates') Proprietary Marks except as a mere privilege and license, during the Term of this Agreement, to display and use the Proprietary Marks according to the limitations set forth in this Agreement, in our Manual or in other written notices to you. You understand and agree that your limited license to use the Proprietary Marks granted by this Agreement applies only to the Proprietary Marks shown on Exhibit B (if we do not subsequently designate them as being withdrawn from use), together with those which we may later designate in the Manual or otherwise in writing. In all instances your use of the Proprietary Marks must comply with our directions, limitations, specifications and authorized prescribed uses. You expressly understand and agree that you are bound not to represent in any manner that you have acquired, and you will not assert any claim to, any ownership, goodwill, reputation or equitable rights in any of our Proprietary Marks by virtue of the limited license granted under this Agreement, by virtue of your use of any of the Proprietary Marks or otherwise. All of your uses of the Proprietary Marks, whether as a trademark, service mark, trade name or trade style, will inure to our benefit. Following the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with your use of the Proprietary Marks or operation of your Boustan Restaurant, including any "local goodwill", which, you expressly agree, exclusively vests in us.

15.03 Use and Display of Proprietary Marks

A. You must not use, and must not permit or cause another to use, the Proprietary Marks except in the manner and to the extent specifically licensed to you under this Agreement. You agree that each use you make of any Proprietary Mark will accurately portray the Proprietary Mark and that the Proprietary Mark will not be used or portrayed in a manner which jeopardizes the goodwill associated with the Proprietary Mark or the System. You agree to use the Proprietary Marks in full compliance with rules we prescribe from time to time in our Manual or otherwise. You are prohibited (except as expressly provided in this Agreement) from using any Proprietary Mark with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed by us to you). You may not use any Proprietary Mark in connection with the sale of any unauthorized service, product or program or in any other manner not

explicitly authorized in writing by us. You may use the Proprietary Marks only for the operation of your Boustan Restaurant or in permitted advertising for your Boustan Restaurant. Your right to use the Proprietary Marks is limited to the uses authorized under this Agreement. Any unauthorized use of the Proprietary Marks by you will constitute an infringement of our rights and a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. You may not use the Proprietary Marks in any way which will incur any obligation or indebtedness on our behalf. You agree to comply with this Agreement's and our Manual's instructions in filing and maintaining all requisite trade name or fictitious name registrations, and in executing any documents considered necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

C. You agree to affix our Proprietary Marks on the facilities of your Boustan Restaurant, including your Boustan Restaurant's point-of-sale materials, signs, stationery, advertising, sales, marketing and promotional materials and other objects in the size, color, lettering style and fashion and at the places which we designate in our Manual or otherwise. You also agree to display the Proprietary Marks and relevant trademark and copyright notices pursuant to the requirements set forth in the Manual. No trademarks, logotypes, names, symbols or service marks other than the Proprietary Marks may be used by or in connection with your Boustan Restaurant in any fashion whatsoever except as we may expressly provide in our Manual or as we may approve in writing.

15.04 Required Means of Identification; Non-Use of Trade Name

You must operate and advertise your Boustan Restaurant under the assumed business name "Boustan," without prefix or suffix. You agree, at your expense, to perform all filings and procure all required or necessary government approvals or registrations required to do business under that assumed business name; to comply with any instructions we give you regarding the filing or maintenance of any trade name or fictitious business name registrations; to execute any documents we or our counsel deem necessary to protect the Proprietary Marks to maintain their continued validity and enforceability; and, upon request, to furnish to us copies of all such filings, approvals and registrations. You must never identify yourself as an agent of ours. You must conspicuously identify yourself, your Boustan Restaurant as an independently owned and operated Boustan Restaurant in all dealings with your customers, contractors, suppliers, public officials and members of the public, and in all advertising, promotion and marketing related to your Boustan Restaurant. You agree to place this notice of independent ownership in your Boustan Restaurant and any other facilities of your Boustan Restaurant's business and on printed materials, business cards, stationery, marketing and advertising materials, signs and other written or electronic modes in the form, size and manner we specify in our Manual or otherwise and in such fashion as we require from time to time.

If you are a business entity, you may not use our Proprietary Marks, any portion or segment of our Proprietary Marks or any confusingly similar words or symbols in your business entity's name. In particular, you may not use the words "Boustan" or any segment or variant thereof as part of your business entity's name.

You shall require all of your advertising, promotional materials, signs, decorations, paper goods (including disposable food containers, napkins, menus and all forms and stationery used in or by your Boustan Restaurant), and all other items we may designate, to feature and bear the Proprietary Marks in the form, color, location and manner we prescribe.

15.05 Our Defense of Proprietary Marks and Copyrights

If you receive notice, are informed of or learn of any claim, suit or demand against you on account of any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or any of our copyrights (each, a "claim"), you agree to promptly notify us. We will then promptly take any action we may consider necessary to protect and defend you against the claim and indemnify you against any loss, cost or expense incurred in connection with the claim, so long as the claim is based solely on any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or copyrights. You may not settle or compromise any claim of a third party without our prior written consent.

We will have the right to defend, compromise and settle the claim at our sole cost and expense, using our own counsel. You agree to cooperate fully with us in connection with the defense of the claim and to execute any and all documents, and do any and all things, as our counsel deems necessary, including (but not limited to) becoming a nominal party to any legal action. If you do so, then we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees and we will bear the costs of any judgment or settlement. You grant irrevocable authority to us, and appoint us as your attorney in fact, to defend and/or settle all claims of this type. You may participate at your own expense in the defense or settlement, but our decisions with regard to the defense or settlement will be final.

We will have no obligation to defend or indemnify you pursuant to this Section 15.05 if the claim arises out of or relates to your use of any of the Proprietary Marks and/or our copyrights in violation of the terms of this Agreement.

15.06 Prosecution of Infringers

If you receive notice or are informed or learn that any third party which you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you agree to promptly notify us. We will then determine whether or not we wish to take any action against the third party on account of the alleged infringement of our Proprietary Marks. You will have no right to make any demand or to prosecute any infringement claim. If we undertake an action against an infringing party, you must execute any and all documents and do such acts and things as, in our counsel's opinion, are necessary including (but not limited to) becoming a nominal party to any legal action. Unless the litigation is the result of your improper use of the Proprietary Marks, we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees and we will bear the costs of any judgment or settlement.

15.07 Discontinuance or Substitution of Proprietary Marks

If now or hereafter one or more of the Proprietary Marks can no longer be used, or if we in our sole discretion determine to adopt and use one or more additional or substitute Proprietary Marks, then you agree to promptly comply with any of our directions or instructions to modify or discontinue use of any Proprietary Mark and/or adopt and use one or more additional substitute Proprietary Marks. We shall have no obligation to reimburse you for any expenditures you make to comply with such instructions or directions. Nor will we be liable to you for any other expenses, losses or damages sustained by you or your Boustan Restaurant as a result of any Proprietary Mark addition, modification, substitution or discontinuation. You waive any claim or any such expenses, losses or damages and covenant not to commence or join in any litigation or other proceeding against us or any of our affiliates for any of these expenses, losses or damages.

16. RELATIONSHIP OF THE PARTIES

16.01 Relationship of the Parties

You understand and agree that you are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, joint employer, agency, employment or fiduciary relationship of any kind. None of your employees will be considered to be our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Boustan Restaurant does not directly or indirectly vest in us the power to hire, fire or control any such employee.

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your Boustan Restaurant and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manual or

otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Boustan Restaurant, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Boustan Restaurant.

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Boustan Restaurant. Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Boustan Restaurant.

16.02 You are the Sole and Exclusive Employer of your Employees.

You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion is any such employee either employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under the exclusive dominion and control of you and never under the direct or indirect control of us in any fashion whatsoever. You alone hire each of your employees; set their schedules; establish their compensation rates; and, pay all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/Affordable Care Act contributions/unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, which have no such authority or ability. You further attest and affirm that any minimum requirements we establish are solely for the purpose of ensuring that your Boustan Restaurant is at all times operated at those levels necessary to operate your Boustan Restaurant in conformity with the System and the products, services, standards of quality and efficiency, and other Boustan brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist you to efficiently operate your Boustan Restaurant, and that you are entirely free to disregard our recommendations regarding such employee compensation. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Boustan Restaurant and in no fashion reflects any employment relationship between us and such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting yourself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees).

17. DEFAULT AND TERMINATION

17.01 Termination By Us – Automatic Termination Without Notice

You will be in default under this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you, the Boustan Restaurant, or any affiliate or Guarantor thereof is adjudicated as bankrupt or insolvent; all or a substantial portion of the assets of your Boustan Restaurant are assigned to or for the benefit of any creditor; a petition in bankruptcy is filed by or against you, the Boustan Restaurant and/or any affiliate or Guarantor thereof and is not immediately contested and thereafter dismissed or vacated within 60 days from filing; you, the Boustan Restaurant and any affiliate or Guarantor thereof cause, permit or acquiesce in an order for relief under the U.S. Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency, reorganization, receivership or other

similar law now or hereafter in effect, or consent to the entry for an order for relief in an involuntary proceeding or to the conversion of an involuntary proceeding to a voluntary proceeding, under any such law; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, the Boustan Restaurant, or any affiliate or Guarantor of the Boustan Restaurant, or the assets of any of them, is filed and consented to by you; a receiver or other custodian (permanent or temporary) of all or part of the assets or property of you, the Boustan Restaurant and any affiliate or Guarantor of the Boustan Restaurant is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any federal or state law are instituted by or against you, the Boustan Restaurant or any affiliate or Guarantor thereof; you, any affiliate or yours and any Guarantor are dissolved; execution is levied against you, the Boustan Restaurant, any affiliate or Guarantor thereof and/or the property of any of the foregoing; the property of your Boustan Restaurant is sold after levy thereon by any governmental body or agency, sheriff, marshal or other person authorized under federal, state and/or local law; or, if you are a business entity, your governing body adopts any resolution or otherwise authorizes action to approve any of the foregoing activities.

17.02 Termination By Us Upon Notice – No Opportunity To Cure

You will have materially breached this Agreement and we may, at our option, terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your receipt of notice (which, whether sent by overnight courier, personal physical delivery or any other manner authorized by Section 26.01 below, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You do not open your Boustan Restaurant for business to the general public by the date specified in Section 8.01 of this Agreement; cease operating the Boustan Restaurant; abandon the franchise relationship established under this Agreement; or, fail to operate your Boustan Restaurant for 3 consecutive days during which you are required to operate it under this Agreement, unless your failure to operate is due to force majeure (as defined in Section 20.01 of this Agreement).
2. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.
3. We and you agree in writing to terminate this Agreement.
4. You lose the right to possession of the Restaurant Location.
5. You, your Operating Principal, your Restaurant Manager and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such entity is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your operation of the Boustan Restaurant, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.
6. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you or your Boustan Restaurant to any third party in violation of the terms of this Agreement.
7. You do not comply with the covenant not to compete set forth in this Agreement during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required by this Agreement.
8. You, your Operating Principal, your Restaurant Manager and all others required to do so fail to attend or successfully complete our Initial Training Program (after being afforded the opportunity to repeat the training pursuant to Section 7.02 of this Agreement).

9. You knowingly conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any substantially false report to us.
10. You do not maintain the financial records required by Section 11.02 of this Agreement.
11. We or our designee conducts an audit of your Boustan Restaurant which discloses that any weekly report or statement which you submitted to us understated your Gross Revenues by 2% or more 3 times within any 36 month period or 5% or more for the reporting period.
12. You refuse us permission to inspect, or to conduct an operational and/or financial audit of, your Boustan Restaurant.
13. You take, withhold, misdirect or appropriate for your own use any funds withheld from your employees' wages which should have been set aside for the Boustan Restaurant's employee taxes, FICA, insurance or benefits; wrongfully take or appropriate for your own use our property or funds; systemically fail to deal fairly and honestly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against, or to discharge, any agent, servant or employee who has embezzled our funds or property or that of any customers or others.
14. After curing a default which is subject to cure under Section 17.03 below, you commit the same act of default again within 6 months.
15. You make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of your Boustan Restaurant.
16. You interfere or attempt to interfere in any manner with our contractual relations and/or our relationships with our other franchisees; any supplier of you, us or other franchisees; any governmental or quasi-governmental authority; your or our customers, employees or advertising agencies; or, any third parties.
17. You commit any act or default which materially impairs the goodwill associated with our Proprietary Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least seventy-two hours in advance.
18. You do not comply, for a period of 15 days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the Boustan Restaurant.
19. You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice.
20. You do not purchase or maintain any category of insurance required by this Agreement.
21. You, your Operating Principal, your Restaurant Manager and/or your Boustan Restaurant violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.
22. You breach the provisions of this Agreement relating to advertising standards and do not cure this breach within 3 days following written notice from us.
23. You purchase any Proprietary Products, Trademarked Products, Approved Products and Services or any other programs, products or services from us, our affiliates or pursuant to a Single Source Approved Supplier contract we designate, and you use, divert, sell or otherwise exploit such Proprietary Products, Trademarked Products, Approved Products and

Services or other programs, products or services for the benefit of any other individual, entity or business.

24. You operate your Boustan Restaurant in a fashion that, in our business judgment, in any way jeopardizes the life, health or safety of the general public, your customers and/or your employees. If you do so, then not only may we terminate this Agreement upon notice, but you agree that we may either beforehand or concurrently direct you to immediately close your Boustan Restaurant; you shall immediately comply with such direction (which may be given orally or in writing); and, you shall hold us harmless from and against any claims whatsoever relating to our direction to close your Boustan Restaurant.
25. You make any use of our Confidential Information and/or Proprietary Marks not specifically authorized by this Agreement or our Manual, or you directly or indirectly utilize or devote same for the benefit of any individual or entity other than your Boustan Restaurant.
26. You engage in any act or conduct, or fail to engage in any act or conduct, which under this Agreement specifically authorizes us to terminate this Agreement immediately upon notice to you.
27. You default under any agreement between you and any lessor or sublessor of your Restaurant Location and you do not cure the default within the period specified in the Restaurant Location's Lease.

17.03 Termination by Us – Thirty Days to Cure

Except as provided in Section 17.01, 17.02 or in this Section 17.03, you will have 30 calendar days after we give you written notice of default, transmitted in accordance with the terms of Section 26.01 of this Agreement, to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within the applicable cure period specified in this Section 17.03 (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, this Agreement will terminate immediately upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

You will be in default of this Agreement for any failure to substantially comply with any of the requirements imposed by this Agreement upon you and, if you are a business entity, your owners and Guarantors by this Agreement, our Manual and/or all Supplements to the Manual or if you and/or your owners or Guarantors otherwise fail to fulfill the terms of this Agreement in good faith. These defaults include the following events, which are set forth as examples only and are not meant to, nor shall they be deemed to, delineate all of the possible defaults which you may commit under this Agreement:

1. You fail, refuse or neglect to pay promptly when due any money owed to us, our affiliates or any lender which has provided financing to your Boustan Restaurant. The cure period for this default shall not be the above-referenced 30 calendar days but, instead, will be 5 calendar days after we transmit to you a written notice of default. If you fail to cure any such default within such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.
2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Manual or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.
3. Your Boustan Restaurant offers and sells any programs, products or services that we do not authorize under this Agreement or our Manual.

4. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.
5. You engage in any business, or market any program, product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.
6. You fail to pay any taxes due and owing by your Boustan Restaurant (including employee taxes) when due.
7. You do not use our Proprietary Marks and/or trade dress solely in the manner and for the purposes directed by us in this Agreement, our Manual or otherwise.
8. You violate the restrictions pertaining to advertising set forth in Article 10 of this Agreement.
9. You do not indemnify us and/or one of the Franchisor Parties as required by this Agreement.
10. By act or omission, you permit a continued violation in connection with the operation of your Boustan 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.
11. You fail to obtain or maintain any required permit, certificate or other governmental approval required either by this Agreement or applicable law, rule or regulation.
12. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.
13. You fail to operate your Boustan Restaurant during the days and hours specified in our Manual without our prior written approval.
14. You fail to maintain and operate your Boustan Restaurant or any vehicle used by your Boustan Restaurant in a good, clean and sound manner and in strict compliance with our standards for quality, cleanliness and maintenance as set forth in our Manual or otherwise.
15. If any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Guarantee addressed in Section 31.02 of this Agreement.
16. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your Boustan Restaurant.
17. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.
18. If a final material judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than 30 days or, if any such judgment is subject to appeal, you do not prosecute such appeal within 30 days (or such shorter period as any law, rule or regulation requires).

17.04 Description of Default

The description of any default in any notice that we transmit to you will in no way preclude us from specifying additional or supplemental defaults under this Agreement or any related agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.

17.05 Your Failure to Pay Constitutes Your Termination of This Agreement

Your failure to timely cure any breach of your obligation to make payments of Royalties, Worldwide Fund Contributions, or any other monies due and owing to us or our affiliates under this Agreement, or to timely cure any other material breach of this Agreement committed by you, in either instance following our notice to you that you have committed a breach of this Agreement and granting you an opportunity to cure said

breach, will be irrevocably deemed to constitute your unilateral rejection and termination of this Agreement and all related agreements between you and us or our affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you shall never contend or complain otherwise.

17.06 Cross Default

Any default or breach by you, your affiliates and/or any guarantor of yours of the Lease for the Restaurant Location or any other agreement between us or our affiliates and you and/or such other parties will be deemed a default under this Agreement, and any default or breach of this Agreement by you and/or such other parties will be deemed a default or breach under any and all such other agreements between us or our affiliates and you, your affiliates and/or any guarantor of yours. If the nature of the default under any other agreement would have permitted us (or our affiliate) to terminate this Agreement if the default had occurred under this Agreement, then we will have the right to terminate all such other agreements in the same manner provided for in this Agreement for termination hereof.

17.07 Continuance of Business Relations

Any continuance of business relations between you and us after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, extension or continuation of this Agreement unless you and we agree in writing to any such renewal, extension or continuation.

17.08 Notice Required By Law

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights to terminate this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by such laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

17.09 Liquidated Damages for Default

In the event that you are in default under this Agreement, Franchisor reserves the right (in its sole discretion) to require you to pay to us, without limitation to any other rights, remedies or recourse available to us (such as termination), liquidated damages in the amount of \$250 per day for the duration of the default multiplied by the number of defaults. In addition, with respect to default relates to violations of Article 12 (Confidential Information and Covenant Not to Compete), Article 15 (Proprietary Marks) and/or Article 14 (Assignment), you agree to pay us liquidated damages equal to \$250,000 per default (regardless of the number of days during which such default has persisted). The parties agree that this sum constitutes, for all legal purposes, liquidated damages and interest and is subject to our right to claim any additional damages if such additional damages can be proven. This provision shall survive the termination of this Agreement. You acknowledge and agree that the amounts mentioned in this paragraph are reasonable and constitute a preliminary estimate of damages that we may suffer by any default mentioned in this paragraph but shall not be deemed to constitute a penalty. The amounts being the object of the present paragraph constitute monetary damages intended only to compensate us for damages incurred during any day during which a default continues and such liquidated damages and interest shall be payable for any day during which such default continues, whether or not a court decision has been rendered to direct you to end such default.

17.10 Liquidated Damages for Termination

In the event this Agreement is terminated due to your default or abandonment, you must pay us, without limitation to any other rights, remedies or recourse available to us, liquidated damages in an amount equal to the average monthly Royalties and Worldwide Fund Contributions you paid to us during the most recently concluded 12 month period, multiplied by the number of months remaining in the Term of the Agreement. If at the time of such termination, your Bousthan Restaurant has not been open for a full 12 months, the liquidated damages you will be required to pay will be based on annualized sales. You agree and acknowledge that the amount of liquidated damages set forth herein does not constitute a penalty and is reasonable and constitutes an indemnity for premature termination reasonably established according to the

damages which may be suffered by us in the event of any termination resulting from your default or abandonment. This amount is solely and exclusively deemed to compensate us for damages suffered pursuant to the fact that this Agreement has been terminated due to your default or abandonment, but is not intended to compensate us for any other damages whatsoever that may have been caused by any default by you of any of its obligations under these presents and/or the default by us to respect each and every one of your obligations under this or any other Agreement between you and us (and/or our affiliates) during or following the termination of this Agreement, which damages we may seek and be entitled to in addition to the amounts provided herein.

18. FURTHER OBLIGATIONS AND RIGHTS FOLLOWING THE TERMINATION OR EXPIRATION OF THIS AGREEMENT

18.01 Further Obligations and Rights Following the Termination or Expiration of this Agreement

If this Agreement expires or terminates for any reason or is assigned by you, you will cease to be one of our authorized franchisees and you will lose all rights to the use of our Proprietary Marks, the System, all Confidential Information and know-how owned by us and any goodwill (including "local" goodwill) engendered by the use of our Proprietary Marks and/or attributed to the conduct of your Boustan Restaurant.

Upon expiration or earlier termination of this Agreement for any reason, you agree to:

1. Immediately pay all royalties, fees, Lease payments and other sums due and owing to us or our affiliates, plus interest, and all sums due and owing to any landlord, suppliers, employees, taxing authorities, advertising agencies, lenders and all other third parties.
2. Discontinue the use of the Proprietary Marks, and not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a Boustan Restaurant or any similar business. You may not use, in any manner or for any purpose, directly or indirectly, any of our Confidential Information, trade secrets, procedures, forms, techniques, know-how or materials acquired by you by virtue of the relationship established by this Agreement. You may never identify yourself to the public in any fashion whatsoever as a current or former Boustan franchisee.
3. Take all necessary action to cancel any assumed name or equivalent registration which contains the Proprietary Mark "Boustan", or any other Proprietary Mark of ours, or any variant, within 15 days following termination or expiration of this Agreement. If you fail or refuse to do so, we may, in your name, on your behalf and at your expense, execute all documents necessary to cause discontinuance of your use of the name "Boustan", or any related name used under this Agreement. You irrevocably appoint us as your attorney-in-fact to do so.
4. Upon any termination of this Agreement by us for cause, we will have the right immediately to enter and take possession of your Boustan Restaurant to maintain continuous operation of the previously Boustan Restaurant, provide for orderly change of management and disposition of personal property, and otherwise protect our interests. If you dispute the validity of our termination of the franchise, we will nevertheless have the option (which you irrevocably grant) to operate the Boustan Restaurant pending the final, unappealed determination of the dispute by a court of competent jurisdiction. If a court of competent jurisdiction makes a final, unappealed determination that the termination was not valid, we agree to make a full and complete accounting for the period during which we operated the previously Boustan Restaurant.
5. If we terminate this Agreement because of your default or you terminate same through failure to make payment following notice and opportunity to cure (pursuant to Section 17.03), you must pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, expenses, and reasonable attorneys' and experts'

fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a successor Boustan Restaurant at the Restaurant Location. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of assets, property, furnishings, equipment, signs, fixtures and inventory owned by you or the Boustan Restaurant at the time of termination and against any of your money which we are holding or which is otherwise in our possession.

6. Immediately deliver to us, free of cost, all training or other manuals furnished to you (including the Manual and Supplements to the Manual), computer software and database material, customer lists, records and files, documents, instructions, display items, advertising and promotional material, any and all materials, signs and related items which bear our Proprietary Marks or slogans or insignias or designs, advertising contracts, forms and other materials or property of ours, and any copies of them in your possession which relate to the operation of the Boustan Restaurant. You may retain no copy or record of any of these items, except for your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law. You agree that the foregoing items, materials, lists, files, software and other similar items will be considered to be our property for all purposes.
7. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.
8. At our option, either change the telephone numbers utilized by your Boustan Restaurant or, upon our written demand, direct the telephone company to transfer the telephone numbers listed for your Boustan Restaurant to us or to any other person or location that we direct. If you do not promptly direct the telephone company to do so, you irrevocably appoint us as your attorney-in-fact to direct the telephone company to do so.
9. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 12 of this Agreement (including those restricting your ability to sell, assign, Lease or otherwise grant possessory rights to your Boustan Restaurant and/or Restaurant Location to a party intending to conduct a Competitive Business thereat).
10. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 12 of this Agreement.
11. Immediately surrender to us all computer software, data storage disks or tapes and other electronic media used in the operation of the Boustan Restaurant, printouts, and other information pertaining to computer operations, codes, procedures and programming. You agree not to destroy, damage, hide or take any steps to prevent us from obtaining any information which you had stored in the computer system of your Boustan Restaurant. You agree not to retain any printouts, disks, tapes or other electronic media containing any of the programs or data stored in the computer system.
12. If you Lease your Restaurant Location from a third party and we elect not to assume possession of the Restaurant Location and/or elect not to exercise our option under Article 19 of this Agreement, then promptly upon termination or expiration of this Agreement, you agree to “deidentify” the Restaurant Location in all respects by performing all redecoration and remodeling, and effecting physical changes to the Restaurant Location and the Boustan Restaurant’s décor, trade dress, color combination, signs and other physical characteristics, as we consider necessary in our reasonable business judgment to distinguish the Restaurant Location from a duly authorized Restaurant Location. If you refuse, neglect or fail to do so, we have the right to enter upon the Restaurant Location and effect such required changes at your sole risk and expense, without liability for trespass.

19. OUR OPTION UPON TERMINATION OR EXPIRATION

19.01 Option to Purchase Your Boustan Restaurant's Assets, Computers and Computer and POS System

A. Upon the termination or expiration of this Agreement for any reason, we, any of our affiliates, and/or any nominee or designee we name are hereby granted an option, exercisable within 30 days after the termination or expiration becomes effective, to purchase as soon as practicable thereafter (including any period necessary for the obtaining of governmental approvals and consents of the concerned lessor) all of the operating assets relating to the Boustan Restaurant. The date on which such purchase is closed will be referred to as the "Closing Date". The following terms and conditions will apply to the option granted by this Article 19:

1. All leasehold improvements, furniture, fixtures, supplies, equipment, trade dress elements and inventory will be purchased at your original cost or for an amount equal to their fair market value, whichever is less. If you and we cannot agree on "fair market value", then an appraiser shall determine same in accordance with the procedures set forth in Section 19.02 below.
2. All transferrable permits, licenses and other governmental authorizations will be transferred or assigned to us, our affiliate, nominee or designee (as applicable) at the soonest possible time.
3. All printed material, forms and other materials purchased from us under this Agreement will be purchased for an amount equal to their cost (if any).
4. All property, real or personal, sold to us or our affiliate, nominee or designee (as applicable) under this Article 19 must be free and clear of all liens, debts, claims, liabilities, leases, encroachments, covenants, conditions, restrictions, rights, rights of way and/or other encumbrances (except for tax liens and special and/or other assessments not delinquent) unless we, in our reasonable opinion (or that of our affiliate, nominee or designee, as applicable), determine that the existence of same either will not interfere with the proposed use of the property or that the existence of same are merely due to easements of record, zoning ordinances or statutes, use and occupancy restrictions of public record or other limitations which are generally applicable to similar properties in the vicinity.

B. You will convey to us (or our affiliate, nominee or designee, as applicable) good and merchantable, full, legal, equitable and beneficial title to all of the foregoing assets by means of appropriate deeds, bills of sale and assignments containing warranties of title. You hereby irrevocably designate us as your attorney-in-fact and proxy to execute any and all instruments necessary and appropriate to effect such conveyance and will sign any other documents or agreements necessary for our appointment as such. We (or our affiliate, nominee or designee, as applicable) will have the right at our option to assume any liabilities encumbering the assets sold under the provisions of this Article or any of the liabilities for which we would otherwise be indemnified by you pursuant to Section 8.13 of this Agreement, and reduce the consideration payable to you accordingly. You will pay all transfer taxes and recording fees, if any.

C. All rents, interest, assessments, taxes and other charges or royalties related to the assets to be conveyed, the payment period of which began before the Closing Date, will be prorated to the Closing Date on the basis of the most recent rates available, and the prorated amount will be added to or subtracted from, as the case may be, the consideration payable to you (for the avoidance of doubt, we may deduct from the purchase price all amounts that you owe to us or our affiliates, amounts owed to the landlord for purposes of maintaining possession, and all other debts relating to the franchised business).

D. You agree to use your best efforts to assist us (or our affiliate, nominee or designee, as applicable) in obtaining any government or other approvals or consents necessary to carry out the terms and intent of this Article 19.

19.02 Appraisals

If you and we cannot agree within a reasonable time on the fair market value of any assets we, our affiliate, nominee or designee acquire from you pursuant to this Article 19, or the commercially reasonable terms of any Lease we require you to enter into for land and facilities owned by you (or any affiliate) and utilized by your Boustan Restaurant, then such dispute will be resolved by means of an appraisal conducted in the following fashion. If, within 60 days following your receipt of our notice that we intend to exercise one or more of the options set forth above, you and we cannot agree on the fair market value of the item in question, then you and we within the next 7 days shall each select one appraiser and notify the other party of its designee. The two appraisers you and we select will be instructed to meet within 30 days following their selection for the purpose of selecting a third appraiser to serve with them. If the two appraisers you and we select cannot agree on the selection on the third appraiser within 15 days after the selection of the last of them, then you shall select the third appraiser from a list of three appraisers we propose in writing. In the event our disagreement pertains to the commercially reasonable terms of any Lease you are required to enter into with us for the Restaurant Location (if you own it), then each appraiser selected must have received the MAI designation and must be actively engaged in appraisal work in the county in which the Restaurant Location is located. The appraisers' determination of the fair market value of any item(s) we intend to purchase from you, or the commercially reasonable terms of the Lease for your owned Restaurant Location, will be binding on both of us. If following the appraisal we exercise any of the options set forth above, then you and we will each pay one half (1/2) of the cost of any and all such appraisals. If we do not elect to exercise any option provided herein following the appraisals then we alone shall bear the cost of all of the appraisal. If we exercise any of the options granted to us above, we will have the right to set off from all amounts due to you any and all amounts which are due and owing by you to us and our affiliates.

19.03 Timing

If we exercise our option to purchase (or, with respect to your Restaurant Location, lease) any of the assets of your Boustan Restaurant as provided in this Article 19, then the Closing Date shall be no later than 60 days after either you and we agree on the fair market value of the assets in question (or, with respect to the Restaurant Location, the commercially reasonable terms for our lease for such Restaurant Location) or, if you and we cannot agree on same, no later than 60 days after the determination of such fair market value/commercially reasonable terms furnished by the appraisers provided for in Section 19.02 of this Agreement.

20. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)

20.01 Unavoidable Delay or Failure to Perform (Force Majeure)

Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or that is not within your or our reasonable control – due to events such as, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; terrorist acts; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; lockouts; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such delay or non-performance.

Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon 30 days advance written notice to you.

21. APPROVALS AND WAIVER

21.01 Approvals

Whenever this Agreement requires you to secure our prior approval or consent, such approval or consent must be obtained in writing and must be timely sought.

21.02 Waiver and Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement will be construed as a waiver by that party of such breach or any preceding or succeeding breach, or any other term, covenant or condition of this Agreement. Without limiting the foregoing, our acceptance of any payment specified to be paid by you under this Agreement will not be, nor constitute, our waiver of any breach of any term, covenant or condition of this Agreement.

21.03 Our Withholding of Consent – Your Exclusive Remedy

In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under this Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Your sole remedy for the claim will be an action or proceeding to enforce this Agreement's provisions, for specific performance or for declaratory judgment.

21.04 No Warranty or Guaranty

If we afford you a waiver, approval, consent or suggestion in connection with this Agreement, we do not thereby make any warranty or guarantee upon which you may rely and by doing so we assume no liability or obligation to you.

22. OUR RIGHT TO CURE DEFAULTS

22.01 Our Right to Cure Defaults

In addition to all other remedies granted pursuant to this Agreement, if you default in the performance of any of your obligations, or breach any term or condition of this Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to you, cure the default on your behalf. Our cost of curing the default and all related expenses will be due and payable by you immediately upon demand by us.

23. INJUNCTION

23.01 Injunction

You explicitly affirm and recognize the unique value and secondary meaning associated with the System and the Proprietary Marks. Accordingly, you agree that any noncompliance by you with the terms of this Agreement, or any unauthorized or improper use of the System or the Proprietary Marks by you, will cause irreparable damage to us and other System franchisees. You therefore agree that if you engage in such noncompliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the term of this Agreement, we and our affiliates will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the entry of these temporary and permanent injunctions without the requirement that we post a bond of any type or nature, or any other form of security. You will be responsible for payment of all costs and expenses, including reasonable attorneys' and expert fees, which we and/or our affiliates may incur in connection with your non-compliance with this covenant.

24. INTEGRATION OF AGREEMENT

24.01 Integration of Agreement

This Agreement, all exhibits to this Agreement, and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in the preceding sentence, however, is intended to disclaim the representations we made in any franchise disclosure document that we provided to you. You acknowledge that you are entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of your Boustan Restaurant and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees which are contrary to the terms set forth in this Agreement or any franchise disclosure document required or permitted to be given to you pursuant to applicable law. You specifically acknowledge that no officer, director, employee, agent, representative or independent contractor of ours is

authorized to furnish you with any financial performance information; that, if they nevertheless do, you have not relied on any such financial performance information given to you by any such individual; and, that if any such individual attempts to or actually does give you any such financial performance information in contravention of this provision, you will immediately communicate such activity to us. For the purpose of this Agreement, "financial performance information" means information given, whether orally, in writing or visually which states, suggests or infers a specific level or range of historic or prospective sales, expenses and/or profits of franchised or non-franchised Boustan Restaurants.

25. NO ORAL MODIFICATION

25.01 No Oral Modification

This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties. You expressly acknowledge that no oral promises were made to you (or, if they were, that you are not relying and will not rely on any such oral promise) and that our obligations are confined exclusively to those set forth in this Agreement. You understand and assume the business risks inherent in this enterprise.

26. NOTICES

26.01 Notices

Any notice required or permitted to be given under this Agreement must be in writing; must be delivered to the other party either personally or by a recognized overnight delivery service capable, through "signature capture" or otherwise, of documenting delivery or attempted delivery of the notice; and, will be effective on the date that delivery either is effected or is documented to have been first attempted. We reserve the right to designate in our Manual a now or hereafter developed mode of electronic communication to facilitate our giving notices to each other, but only if the mode of communication we specify is capable of affording evidence of delivery or attempted delivery.

Boustan Franchise USA Corp.
6505 Trans Canada Route Saint-Laurent, Suite 320
Qc, H4T 1S3, Canada
Attention: Boustan Franchise Sales

With copy to:

Akerman LLP
1251 Avenue of the Americas, 37th Floor
New York, New York 10020
Attention: Dale A. Cohen, Esq.

Any notice to you will be addressed to you at:

E-Mail: _____

Attention: _____

Either party to this Agreement may, in writing, on 10 days' notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement should be sent.

27. SEVERABILITY

27.01 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future law, rule or regulation which by its terms is applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, that provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect, unless said provision pertains to the payment of monies due to us or our affiliates under this Agreement of any type or nature whatsoever, in which case we may at our option terminate this Agreement. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement (but not any of its payment provisions) and the parties agree to be bound by and perform this Agreement as so modified.

28. NO THIRD PARTY BENEFICIARIES

28.01 No Third Party Beneficiaries

This Agreement is entered into solely between you and us. Other than our affiliates or as expressly set forth in this Agreement, there is no intended third party beneficiary of this Agreement and you agree that none is to be presumed or deemed to exist.

29. EXECUTION, CONSTRUCTION AND INTERPRETATION; FURTHER ACTS

29.01 Execution, Construction and Interpretation; Further Acts

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Electronic and facsimile signatures will be considered as binding and conclusive as if original.

B. The titles and subtitles of the various articles and sections of this Agreement are inserted for convenience and will not affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against us or you.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

D. The parties agree to execute all other documents and perform all further acts necessary or desirable to carry out the purposes of this Agreement.

E. If Franchisee consists of more than one person or business entity, or a combination thereof, the obligations and liabilities of each such person or business entity to us under this Agreement are joint and several.

F. As used in this Agreement, the words "include", "includes", or "including" are used in a non-exclusive sense and shall be construed to mean "including without limitation".

30. LEGAL ACTIONS, GOVERNING LAW AND VENUE

30.01 Attorneys' Fees and Costs

Except as otherwise provided by this Agreement, each party to any legal action or proceeding brought against the other party shall be responsible for his/her/its own attorneys' fees, experts' fees, court costs and all other expenses sustained in the course of such litigation (including any appeals). You acknowledge, however, that certain provisions of this Agreement provide that should we prevail in certain legal actions or proceedings against you, you must reimburse us for all costs and expenses incurred in connection with such legal actions or proceedings (including any appeal thereof), including reasonable attorneys' fees, experts' fees, court costs and all other expenses we incur.

30.02 Attorneys' Fees – Third Party Actions

If we become a party to any action or proceeding commenced or instituted against us by a third party arising out of or relating to any claimed or actual act, error or omission of yours and/or any of your officers, directors, shareholders, management, employees, contractors and/or representatives (the "Franchisee Party(ies)") and/or your Bousthan Restaurant by virtue of statutory, "vicarious", "principal/agent" or other liabilities asserted against or imposed on us as a result of our status as Franchisor; or if we become a party to any litigation or any insolvency proceeding involving you pursuant to any bankruptcy or insolvency code (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then you will be liable to, and must promptly reimburse us for, the reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur in such action or proceeding regardless of whether such action or proceeding proceeds to judgment. In addition, we will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to our proof of claim in any insolvency or bankruptcy proceeding you file.

30.03 Governing Law

This Agreement; all relations between us; and, any and all disputes between you and/or any other Franchisee Party, on the one hand, and us and/or any other Franchisor Parties, on the other hand, whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the state of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If we move our principal headquarters to another state, we reserve the right to designate that state's law as governing, again without recourse to that successor state's (or any other) choice of law or conflicts of law principles, upon written notice to you. If, however, any provision of this Agreement is not enforceable under the laws of New York (or a successor state we designate as provided above), and if your Bousthan Restaurant is located outside of New York (or such hereafter designated state) and the provision would be enforceable under the laws of the state in which the Bousthan Restaurant is located, then that provision (and only that provision) will be interpreted and construed under the laws of that state. This Section 30.03 is not intended to invoke, and shall not be deemed to invoke, the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of New York, or any successor state we designate as provided above, which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law.

30.04 Venue

Any litigation arising out of or related to this Agreement or any related agreement; any breach of this Agreement or any related agreement; the relations between the parties (as defined below); and, any and all disputes between the parties, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment in a state or federal district court of competent jurisdiction situated in the country, state, county and judicial district in which our or our affiliate's principal place of business is then located (at our sole discretion). You hereby irrevocably submit yourself to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. You agree that any dispute as to the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, your franchised business and/or Restaurant, we may bring such an action in any country, state or federal district court which has jurisdiction. You hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens"). As used in this section of the Agreement, the term "parties" includes all of the Franchisor Parties and all of the Franchisee Parties and, as to each of them, whether acting in their corporate or individual capacity, along with any other individual or business entity acting or purporting to act by, through, under or under authority granted by you.

30.05 Waiver of Jury Trial and Punitive Damages

- A. The parties to this Agreement (as denominated in Section 30.04) explicitly and irrevocably waive their respective rights to a jury trial in any litigation between them which is authorized or contemplated by this Agreement, and hereby stipulate that any such trial shall occur without a jury.
- B. You, your Guarantors and the other Franchisee Parties hereby explicitly and irrevocably waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other similar damages in any action or proceeding whatsoever between such parties and/or any of their affiliates and us and/or any of our affiliates, and you and such others covenant never to advance or pursue any such claim for punitive damages. You and such others agree that in the event of a dispute, you and such others shall be limited to the recovery from the Franchisor Parties of any actual damages sustained by you or them. You covenant to secure from any Franchisee Party which does not execute this Agreement his/her/its execution of a writing adduced by us confirming the foregoing, in such manner and by such time we reasonably specify.

30.06 No Consolidated or Class Actions

You and the other Franchisee Parties may only pursue any claim you have against us or the other Franchisor Parties in an individual legal action or proceeding. Neither you nor any other Franchisee Party shall join or combine its/their legal action or proceeding in any manner with any action or claim of any other Boustan franchisee, franchise owner or franchisee guarantor, nor will you, or any other Franchisee Party maintain any action or proceeding against us and the other Franchisor Parties in a class action, whether as a representative or as a member of a class or purported class, nor will you or any other Franchisee Party seek to consolidate, or consent to the consolidation of, all or part of any action or proceeding by any of them against us or the other Franchisor Parties with any other litigation against us or such other Franchisor Parties.

30.07 Limitation on Actions

Any and all legal actions or proceedings brought by you against us or the other Franchisor Parties arising out of or related to this Agreement or any related agreement; any breach of this Agreement or any related agreement; the relations between such parties; and, any and all disputes between such parties, whether sounding in law or equity, must be commenced within 2 years from the occurrence of the acts, errors and/or omissions giving rise to such legal action or proceeding. If not, then you irrevocably covenant and agree that such action or proceeding shall be barred. In addition, except in the case of our gross negligence or gross fault, you accept, acknowledge and agrees that in no case the Franchisor will be responsible for any fact, act, obligation (contractual or extra-contractual), claim and/or damage (material, physical and/or moral), of any nature whatsoever, arising directly or indirectly (a) from any delay in delivery of any program, product, service, merchandise or property, (b) any fact, act or omission whatsoever of which the cause does not arise directly from our gross negligence or gross fault or (c) for any malfunction, failure, defect, quality defect and/or security breach of any material, product, merchandise, good or software occurring for any reason whatsoever.

31. LIABILITY OF “FRANCHISEE”; GUARANTEE; SECURITY INTEREST

31.01 Liability of “Franchisee”

The terms “Franchisee” and “you” as used in this Agreement will refer to each person executing this Agreement as Franchisee, whether that person is one of the spouses, partners, proprietors, shareholders, trustees, trustors or beneficiaries or persons named as included in you, and will apply to each of these persons as if he/she were the only named Franchisee in this Agreement. If you are a married couple, both husband and wife executing this Agreement will be liable for all your obligations and duties as Franchisee under this Agreement as if the spouse were the sole Franchisee under this Agreement. If you are a partnership or proprietorship, or if more than one person executes this Agreement as Franchisee, each partner, proprietor or person executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement. If you are a trust, each trustee, grantor and beneficiary signing this Agreement will be liable for all the obligations and duties of Franchisee under this Agreement. If you are a business entity, all owners of such entity executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement as if each such owner or the sole franchisee under this Agreement.

31.02 Guarantee

If you are a business entity, then we require all direct and indirect owners of such business entity and any other individuals or entities we designate, including without limitation, the Operating Principal, all directors and officers and any other person who directly or indirectly holds an interest of any nature whatsoever in the Franchisee (the "Guarantors") to guarantee all of your duties, requirements and obligations under this Agreement, both financial and non-financial, by executing a guarantee substantially in the form of Exhibit E (the "Guarantee"). In the event of the death of any Guarantor, we may require replacement guarantees sufficient in our sole business judgment to provide us with the same protection as we had originally bargained for.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity Guarantor without first proceeding against you and without proceeding against or naming in the suit any other such Guarantor. Your obligations and those of each such Guarantor will be joint and several. Notice to or demand upon one such Guarantor will be considered notice to or demand upon you and all such Guarantors. No notice or demand need be made to or upon all such Guarantors. The cessation of or release from liability of you or any such Guarantor will not relieve you or any other Guarantor, as applicable, from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

31.03 Security Agreement

To secure the amounts payable by you to us, as well as all other obligations of any nature whatsoever, present or future, pursuant to the terms of this Agreement or any other agreement between you and us and/or our affiliates, you agree to sign the general security agreement appended hereto as Exhibit F. In addition, you undertake to sign any document, instrument, undertaking, conveyance or other document of any kind whatsoever and to take any action that we may require from time to time, to verify, register or implement the security given herein. We agree, however, that the security interest granted under this Section 31.03 shall be subject to the security interest (if any) that you grant to a bank in connection with the initial financing required for the purposes of the construction and build out of the Restaurant Location. You further acknowledge and agree that we may register this security at any time at our sole discretion.

32. SURVIVAL

32.01 Survival

Any provision of this Agreement which imposes in any fashion, directly or indirectly, an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

33. OUR BUSINESS JUDGMENT

33.01 Our Business Judgment

Whenever this Agreement or any related agreement grants, confers or reserves to us the right to take action, refrain from taking action, grant or withhold our consent or grant or withhold our approval, unless the provision specifically states otherwise, we will have the right to engage in such activity at our option using our business judgment, taking into consideration our assessment of the long term interests of the System overall. You and we recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by our business judgment, neither said court, said judge nor any other person reviewing those activities or decisions will substitute his, her or its judgment for our judgment. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable.

34. YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

34.01 Your Representations

You represent and warrant to us, with the intention that we are relying on your representations and warranties in entering into this Agreement, that:

1. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your Boustan Restaurant.
2. If you are business entity, you have all requisite power and authority to execute, deliver, consummate and perform this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement.
3. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.
4. You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements which you furnished to us before the execution of this Agreement.
5. As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, shareholders, proprietors, partners, members, managers, Guarantors, shareholders, or any other Owner of a direct or indirect, partial or whole interest in you (as applicable), after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or, which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.
6. All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

34.02 Your Acknowledgments

You represent, warrant and acknowledge to us, with the intention that we will be relying thereon in entering into this Agreement, that:

1. No representation has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) and relied on by you as to the future or past income, expenses, sales volume or potential profitability, earnings or income of your Boustan Restaurant or any other Boustan Restaurant, other than any information we may have provided in Item 19 of our franchise disclosure document, nor have we or any of the foregoing made any representations, statements or promises to you which conflict with, contravene or vary from the contents of our franchise disclosure document.
2. No representation or statement has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) and relied on by you regarding our anticipated income, earnings and growth or that of the System, or the viability of the business opportunity being offered under this Agreement.
3. Before executing this Agreement, you have had the opportunity to contact all our existing franchisees.

4. You have been advised and given the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, the terms and provisions of this Agreement and the prospects for the Boustan Restaurant, using the services of legal counsel, accountants or other advisers of your own choosing. You have either consulted with these advisors or have deliberately declined to do so.
5. You have received from us a copy of our franchise disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise, at least 14 calendar days before the execution of this Agreement or at least 14 calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.
6. No representation or statement has been made by us or our affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) and relied on by you regarding your ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to carry out the activities contemplated by this Agreement.
7. You have carefully considered the nature and extent of the restrictions upon you set forth in this Agreement (including, without limitation, the covenants not to compete and the restrictions on assignment) and the rights and remedies conferred upon you and us under this Agreement. Such restrictions, rights and remedies: (a) are reasonable, including, but not limited to, their term and geographic scope; (b) are designed to preclude competition which would be unfair to us; (c) are fully required to protect our legitimate business interests; and, (d) do not confer benefits upon us that are disproportionate to your detriment.
8. The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors.

35. SUBMISSION OF AGREEMENT

35.01 Submission of Agreement

Our tendering this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you.

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.

YOU ACKNOWLEDGE THAT NO REPRESENTATIONS OR PROMISES WERE MADE TO YOU OTHER THAN THOSE SET FORTH IN OUR FRANCHISE DISCLOSURE DOCUMENT, OR THAT IF ANY OTHER REPRESENTATIONS OR PROMISES WERE MADE TO YOU, YOU ARE NOT RELYING ON THEM.

YOU HAVE READ ALL OF THE FOREGOING AGREEMENT AND ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE THIS AGREEMENT.

[SIGNATURES ON PAGE TO FOLLOW]

FRANCHISEE:

If a corporation or other entity:

By: _____

Its: _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

FRANCHISOR:

BOUSTAN FRANCHISE USA CORP.

By: _____

Name: _____

Title: _____

EXHIBIT A
RESTAURANT LOCATION

EXHIBIT A

RESTAURANT LOCATION; TERRITORY

The Restaurant Location as defined in Section 3.01 of the Franchise Agreement will consist of: _____.

The Territory as defined in Section 3.01 of the Franchise Agreement will consist of: _____.

Initials: Franchisor _____ Franchisee _____

EXHIBIT B

PROPRIETARY MARKS

The Proprietary Marks as defined in Section 1.01 of the Franchise Agreement will consist of: “Boustan” and such other and further Proprietary Marks (as defined in Section 1.01 of the Franchise Agreement) that we may from time to time license to you in conjunction with and addition to the Proprietary Marks listed above. Any such other and further Proprietary Marks will be deemed a part of this Exhibit B.

EXHIBIT C

REQUIRED PROVISIONS FOR LEASE RIDER

REQUIRED PROVISIONS FOR LEASE RIDER

All Leases you enter into for the Boustan Restaurant Location must contain a Rider with provisions acceptable to us providing that:

1. After (a) the expiration of the Franchise Agreement (so long as we provide the Landlord with no less than 60 days advance written notice thereof), or (b) the sooner termination of the Franchise Agreement for any reason (so long as we either provide the Landlord with (x) a copy of our notice of termination to you or (y) an agreement regarding the date of termination), we will have the right (but not the obligation) to cure any defaults within a reasonable period of time and at our election, either to assume the obligations of and replace you as the lessee under the Lease, or to have another franchisee, licensee, joint venture partner or other designee of ours assume the obligations of and replace you as the lessee under the Lease. If we assume the obligations of and replace you as the lessee under the Lease and then subsequently reassign the Lease to another franchisee, licensee, joint venture partner or other designee of ours, upon any such reassignment, we shall be released from all prospective obligations of the lessee.
2. Simultaneous with giving notice to you of any default, the lessor or sublessor (the "Landlord") will furnish to us written notice specifying such default and the method of curing the default; allow us 30 days after receipt of the notice to cure the defaults (except that (i) if the default is the non-payment of rent, we will have only fifteen days from receipt of notice to cure the default, and (ii) if the default is of such a nature that it cannot, with the exercise of reasonable diligence, be cured within 30 days, the time for cure shall be extended to be the same as that set forth in the Lease); and, allow us to exercise our option for us or another franchisee, licensee, joint venture partner or other designee of ours to succeed to your interest in the Lease under the same conditions as set forth in par. '1', above.
3. The Landlord will accept us or another franchisee designated by us as a substitute tenant under the Lease upon notice from us that we are exercising our option for us or another franchisee, licensee, joint venture partner or other designee of ours to succeed to your interest in the Lease and/or to reassign the Lease to another franchisee following our assumption of obligations under the Lease, under the same conditions as set forth in par.'1', above.
4. The required provisions in '1', '2', and '3', above, are rights but not obligations for us to assume your rights and responsibilities under the Lease.
5. The Landlord acknowledges that you alone are responsible for all debts, payments and performances under the Lease before we or another franchisee, licensee, joint venture partner or other designee of ours takes actual possession of the premises.
6. The Lease may not be modified or amended without our advance written consent, which we may not unreasonably withhold. The Landlord will provide us with copies of all proposed modifications or amendments at least 30 days prior to their execution and true and correct copies of the executed modifications and amendments.
7. The Landlord agrees to furnish us with copies of all letters and notices sent to you pertaining to the Lease and the premises, at the same time and in the same manner that these letters and notices are sent to you.

EXHIBIT D
CONFIDENTIALITY/NON-COMPETITION AGREEMENT

CONFIDENTIALITY/NON-COMPETITION AGREEMENT

NAME: _____

FRANCHISEE: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

CLASSIFICATION: _____

**(Owner, Shareholder, Officer, Director,
Attorney, Employee, Etc.)**

_____ ("Franchisee") is a franchisee of Boustan Franchise USA Corp. ("Franchisor") pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated _____ (the "Franchise Agreement"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all products, services, equipment, technologies and procedures relating to ; all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and criteria which now comprise or in the future may comprise a part of the System; Franchisor's Confidential Operating Manual (as same may be amended from time to time); Supplements and/or amendments to the Manual; records pertaining to customers or billings; methods of advertising and promotion; customers; instructional materials; staff composition and organization systems; quality assurance programs; supervision systems; recommended services; recordkeeping systems and materials; bookkeeping systems and materials; business forms; product and service order forms; general operations materials; revenue reports; standards of interior and exterior design and decor; activity schedules; job descriptions; advertising, promotional and public relations materials/campaigns/guidelines/philosophy; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the System; additions to, deletions from, and modifications and variations of the components constituting the System or the systems and methods of operations which are now, or may in the future, be employed by Franchisor, including all standards and specifications relating thereto and the means and manner of offering and selling same; and, all other components, specifications, standards, requirements and duties imposed by Franchisor or its Affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Franchisee, as

the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, and under the circumstances set forth in the following paragraph, for a period of one year immediately following its expiration or termination for any reason, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Franchise Agreement contemplates will be engaged in by Franchisee; or, which offers or sells any other service, product or component which now or in the future is part of the System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

For a period of two years immediately following the expiration or termination of my employment/service/association/ownership participation, I am prohibited from engaging in any competitive business, if the other business is located within Franchisee's Territory, within twenty miles of the boundaries of Franchisee's Territory, or within twenty miles of (or within) any other Business Territory (whether Company-owned, franchised or otherwise established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Franchisee do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New York, and if the franchised Business is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction situated in the country, state, county and judicial district in which our or our affiliate's principal place of business is then located (at our sole discretion). I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the country, state, county and judicial district in which our or our affiliate's principal place of business is then located (at our sole discretion).

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Witnessed By:

(Print Name)

Witness/Date

(Signature)

(Date)

EXHIBIT E
STATEMENT OF OWNERSHIP
AND
GUARANTEE OF FRANCHISE AGREEMENT

PRINCIPAL OWNERS STATEMENT

This form must be completed by you if you have multiple owners or if you, or your franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). We are relying on the truth and accuracy of this form in awarding the Franchise Agreement to you.

Form of Owner. Franchisee is a (check one):

- | | |
|---------------------------|--------------------------|
| General Partnership | ☐ |
| Corporation | ☐ |
| Limited Partnership | ☐ |
| Limited Liability Company | ☐ |
| Other | ☐ |

Specify: _____

Franchisee was formed under the laws of _____.
(state)

Business Entity. Franchisee was incorporated or formed on _____, 20__, under the laws of the State of _____. Franchisee has not conducted business under any name other than your corporate, limited liability company or partnership name and _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

<u>Name of Person</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Owners. The following list includes the full name and mailing address of each person who is one of your direct or indirect owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

<u>Owner's Name and Address</u>	<u>Description of Interest</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Principal Owners Statement is current and complete as of _____, 20__

OWNER

INDIVIDUALS:

[Signature]

[Print Name]

[Signature]

[Print Name]

**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP:**

[Name]

By:_____

Title:_____

GUARANTEE OF BOUSTAN FRANCHISE AGREEMENT

In consideration of the execution by Franchisor of the Franchise Agreement (the "Franchise Agreement") dated the _____ day of _____, _____, between Boustan Franchise USA Corp. ("Franchisor") and _____ ("Franchisee") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and Franchisor.

If more than one person has executed this Guarantee, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned. The undersigned agree to bear any and all Franchisor's costs of collection hereunder, including all court costs and expenses, attorneys' fees, costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before courts or tribunals (including arbitration tribunals), and all other costs of collection.

Notice to or demand upon Franchisee or any of the undersigned shall be deemed notice to or demand upon Franchisee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Franchisee or any of the undersigned shall not relieve any other Guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the Franchisor, its successors and assigns. This Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guarantee would not be enforceable under the laws of New York, and if the business franchised under the Franchise Agreement is located outside of New York and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New York or any other state, which would not otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in a court of competent jurisdiction situated in the country, state, county and judicial district in which our or our affiliate's principal place of business is then located (at our sole discretion). The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the country, state, county and judicial district in which our or our affiliate's principal place of business is then located (at our sole discretion). The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

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

Attest:

By: _____

Signature

Printed Name

Address

Attest:

By: _____

Signature

Printed Name

Address

EXHIBIT F
SECURITY INTEREST AGREEMENT
TO THE BOUSTAN FRANCHISE AGREEMENT

THIS SECURITY INTEREST AGREEMENT (the “Agreement”) is entered into and effective as of this ____ day of _____ 202__ by and between _____, a _____ [corporation/limited liability company] with its principal place of business located at _____ (the “**Debtor**”) and BOUSTAN FRANCHISE USA CORP., a Delaware corporation with its principal place of business located at 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada (the “**Secured Party**”).

RECITALS

WHEREAS, by a franchise agreement dated _____ (the “Franchise Agreement”) the Secured Party accepts the Debtor as a franchisee of the Secured Party and grants to it the non-exclusive right and license to use the Proprietary Marks and Boustan System (as those terms are defined in the Franchise Agreement) in connection with Debtor establishing and operating a Boustan Restaurant (as that term is defined in the Franchise Agreement), subject to the terms and conditions of the Franchise Agreement;

WHEREAS, pursuant to the Franchise Agreement, the Debtor has agreed to undertake and perform certain obligations (the “Obligations”) under the Franchise Agreement in connection with Debtor’s operation of Debtor’s Boustan Restaurant and Debtor has agreed to grant the Secured Party a security interest in the Collateral (as defined below) to secure the Debtor’s due and punctual fulfillment of the Obligations;

WHEREAS, in accordance with the terms of the Franchise Agreement and to induce the Secured Party to execute and deliver the Franchise Agreement, the Debtor is required to execute and deliver to the Secured Party this General Security Agreement;

NOW THEREFORE, in consideration of the premises, the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

In this Agreement, unless something in the subject matter or context is inconsistent therewith, the following words and expressions shall have the following meanings:

- (a) “**Account Debtor**” shall have the meaning set forth in Section 3(l) herein;
- (b) “**Accounts Receivable**” means all debts, accounts, and claims in action which are now or which may hereafter become due, owing or accruing due to the Debtor;
- (c) “**Agreement**” means this agreement and all amendments made thereto by written agreement between the Secured Party and the Debtor, and the terms «this Agreement», «hereof», «hereunder» and similar expressions refer to this Agreement and not to any particular Section, subsection or other portion hereof and include any agreement supplemental hereto;
- (d) the terms “**account**”, “**chattel paper**”, “**certificates of title**”, “**goods**”, “**instruments**”, “**inventory**”, “**proceeds**” whenever used herein in lower case letters shall have the meanings given to those terms in the New York Uniform Commercial Code as now enacted or as the same may from time to time be amended, re-enacted or replaced;

- (e) **“Books and Records”** means all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the Collateral, and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (f) **“Collateral”** means all of the present and future undertaking and property, both real and personal, of the Debtor, including without limitation, all right, title and interest that the Debtor now has or may hereafter have, be possessed of, or entitled to or hereafter be acquired by the Debtor in Accounts Receivable, Inventory, Equipment, chattel paper, Certificates of Title, Securities and Instruments, Intangibles, money, Books and Records and all replacements of, substitutions for and increases, additions and accessions to the foregoing, together with all Proceeds thereof as the foregoing relates to the Debtor’s establishment and operation of its Boustan Restaurant, and any reference to “Collateral” shall be deemed a reference to “Collateral” of any part thereof;
- (g) **“Certificates of Title”** means all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (h) **“Equipment”** means all machinery, equipment, fixtures, furniture, vehicles and other tangible personal property which are not Inventory used in connection with the Debtor’s operation of Debtor’s Boustan Restaurant;
- (i) **“Intangibles”** means all intangibles other than Accounts Receivable including, without limitation, all goodwill, patents, trademarks, copyrights and other intellectual property;
- (j) **“Inventory”** means all inventory of whatever kind and wherever situated including, without limitation, all raw materials, materials used or consumed in the Boustan Restaurant of the Debtor, work-in-progress, finished goods, goods used for packing, materials used in the Boustan Restaurant of the Debtor not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
- (k) **“Obligations”** means all obligations of the Debtor to the Secured Party including, without limitation, all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, whenever and howsoever incurred at any time owing by the Debtor to the Secured Party or remaining unpaid by the Debtor to the Secured Party and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between the Secured Party and the Debtor or from other dealings or proceedings by which the Secured Party may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs charges and expenses;
- (l) **“Permitted Encumbrances”** means the encumbrances listed in Schedule “A”;
- (m) **“Proceeds”** means all proceeds of any kind whatsoever including, without limitation, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for the loss of or damage to such property;
- (n) **“Securities and Instruments”** means all shares, stock, warrants, bonds, debentures, debenture stock and other securities and all instruments, whether issued, sold, transferred in connection with the Debtor’s operation of its Boustan Restaurant.

2) SECURITY INTEREST

In order to secure the due and punctual fulfillment of the Obligations, the Debtor hereby grants, conveys, transfers and assigns to the Secured Party a continuing security interest in the Collateral, wherever located, whether now owned or hereafter acquired.

3) REPRESENTATIONS, WARRANTES AND COVENANTS OF DEBTOR

The Debtor hereby represents, warrants and covenants to and with the Secured Party that:

- (a) this Agreement constitutes a legal and valid agreement binding upon the Debtor enforceable in accordance with its terms;
- (b) the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Debtor pursuant to any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected;
- (c) all of the Collateral is the sole property of the Debtor free from any liens, charges, security interests, encumbrances or any rights of others which rank prior to or pari passu with the security interest granted hereby, except for Permitted Encumbrances as outlined in Schedule "A";
- (d) the Debtor will not sell or offer to sell or otherwise assign, transfer or dispose of the Collateral or any interest therein, without the prior written consent of the Secured Party, except in the ordinary course of business;
- (e) there is no litigation, proceeding or dispute pending, or to the knowledge of the Debtor threatened, against or affecting the Debtor or the Collateral, the adverse determination of which might materially and adversely affect the Debtor's Boustian Restaurant, financial condition, or operations or impair the Debtor's ability to perform its obligations hereunder or affect the priority of the security interest created hereunder or affect the rights and remedies of the Secured Party hereunder;
- (f) the Debtor's principal place of business and the location of the office where it keeps its Books and Records respecting the Collateral; is the address of the Debtor shown above, and the Debtor shall not change its principal place of business and the location of the office where it keeps its Books and Records, or move any of the Collateral from the Debtor's principal place of business or such other locations specified in any schedule hereto, without the prior written consent of the Secured Party. The Debtor will hold and preserve its Books and Records and will permit the Secured Party at any time during normal business hours upon reasonable notice to examine and inspect the Collateral and the Debtor's Books and Records and to make abstracts from such Books and Records;
- (g) it shall ensure that the representations and warranties set forth in this Section 3 shall be true and correct at all times;
- (h) the statements made in the Recitals of this Agreement, which are deemed incorporated herein by reference, are true, accurate and complete;
- (i) the Debtor shall only use or operate or permit the Collateral to be used or operated in accordance with all applicable federal, state, county and municipal laws and regulations and shall not use or operate the Collateral in any manner that could materially and adversely affect the Debtor's business
- (j) the Debtor shall carry on and conduct its business in a lawful and business-like manner;
- (k) the Debtor shall not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior consent of the Secured Party;
- (l) the Debtor shall defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and, except as otherwise provided herein, shall keep the Collateral free and

clear of all security interests, mortgages, charges, liens and other encumbrances or interests except for those hereafter approved in writing by the Secured Party prior to their creation or assumption;

- (m) the Debtor shall pay all rents, taxes, levies, assessments and governments fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Secured Party, when required, the receipts and vouchers establishing such payment;
- (n) the Debtor shall keep the Collateral in good order and repair at all times and immediately notify the Secured Party of any event causing a substantial loss or diminution in the value of all or any material part of the Collateral and the amount or an estimate of the amount of such loss or diminution;
- (o) each Account Receivable, chattel paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Debtor to the Secured Party from time to time as owing by each Account Debtor will be the correct amount actually and unconditionally owing from such Account Debtor;
- (p) the Debtor shall from time to time forthwith at the request of the Secured Party furnish to the Secured Party in writing all information requested relating to the Collateral, and the Secured Party shall be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes the Secured Party shall have access to all premises occupied by the Debtor or where the Collateral may be found;
- (q) the Debtor shall from time to time forthwith at the request of the Secured Party execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Secured Party to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest granted hereby, and the Debtor hereby irrevocably constitutes and appoints the Secured Party, or any Receiver appointed by the court or the Secured Party, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever or wherever the Secured Party of any such Receiver may consider it to be necessary or expedient; and
- (r) the Debtor shall pay to the Secured Party forthwith upon demand all reasonable cost and expenses (including, without limitation, all legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limitation, protecting and preserving the security interest granted hereby and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and from part of the Obligations secured hereunder.

4) INSURANCE

The Debtor shall obtain and maintain, at all times and at its own expense, insurance against loss of damage to the Collateral including, without limitation, loss by fire (including extended coverage), theft, collision and such other risks of loss as are customarily insured against on this type of Collateral, in any amount not less than the full replacement value thereof, in such form and with such insurers as shall be reasonably satisfactory to the Secured Party. If any such policies of insurance contain a co-insurance clause, the Debtor shall either cause any such co-insurance clause to be waived or maintain at all times a sufficient amount of insurance to meet the requirements of any such co-insurance clause so as to prevent the Debtor from becoming a co-insurer under the terms of any such policy. All such policies shall name the Secured Party as an additional insured and loss payee thereof, as the Secured Party's interest may appear, and shall provide that the insurer will give the Secured Party at least ten (10) days written notice of intended cancellation. At the Secured Party's request, the Debtor shall provide the Secured Party with a copy of any policy of insurance and certificate of insurance or other evidence satisfactory to the Secured Party that such insurance coverage is in effect. The Debtor shall give the Secured Party notice of any damage to, or loss

of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section, the Secured Party shall have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to perform any of all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by Secured Party in performing such obligations shall be immediately due and payable by the Debtor.

5) DEALING WITH COLLATERAL

- (a) Dealing with Collateral by the Debtor. The Debtor shall not sell, lease or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party, except that the Debtor may, until an Event of Default occurs, sell items of Inventory in the ordinary course of its business so that the purchaser thereof takes title thereto free and clear of the security interest granted hereby, but all proceeds of any such sale shall continue to be subject to the security interest granted hereby and all money received by the Debtor shall be received as trustee for the Secured Party and shall be held separate and apart from other money of the Debtor and shall be paid over the Secured Party upon request.
- (b) Registration of Securities. The Secured Party may have any Securities registered in its name or in the name of its nominee and shall be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that until an Event of Default has occurred and is continuing, the Debtor shall be entitled to exercise, in a manner not prejudicial to the interests of the Secured Party or which would violate or be inconsistent with this Agreement, all voting power from time to time exercisable in respect of the Securities. The Secured Party shall not be responsible for any loss occasioned by its exercise of any of such rights or by failure to exercise the same within the time limit for the exercise thereof. The Debtor shall from time to time forthwith upon request of the Secured Party deliver to the Secured Party those Securities requested by the Secured Party duly endorsed for transfer to the Secured Party or its nominee to be held by the Secured Party subject to the terms of this Agreement.
- (c) Notification of Account Debtor. Before an Event of Default occurs, the Secured Party may give notice of this Agreement and the security interest and assignment granted hereby to any Account Debtors of the Debtor or to any other person liable to the Debtor and, after the occurrence of an Event of Default, may give notice to any such account debtors or other person to make all further payments to the Secured Party, and any payment or other proceeds of Collateral received by the Debtor from account debtors of from any other person liable to the Debtor whether before or after any notice is given by the Secured Party shall be held by the Debtor in trust for the Secured Party and paid over to the Secured Party on request.
- (d) Purchase-Money Security Interest. The Debtor shall permitted to grant purchase-money security interests in the ordinary course of its business in connection with the purchase of lease of Inventory or Equipment; provided that the foregoing shall not constitute a subordination of the security interest granted hereby to such purchase-money security interests or a waiver by the Secured Party of the requirements prescribed by statute which, if complied with, would result in such purchase-money security interests ranking in priority to the security interest granted hereby.
- (e) Application of Funds. All money collected or received by the Secured Party in respect of the Collateral may be applied on account of such parts of the Obligations as the Secured Party in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Secured Party may be released to the Debtor, all without prejudice to the Secured Party's rights against the Debtor.

6) DEFAULT AND REMEDIES

- (a) Events of Default. The Debtor shall be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "Event of Default"):
- (i) the Debtor fails to pay to the Secured Party any sum when due;
 - (ii) the Debtor fails to perform when due any of its obligations under Section 4;
 - (iii) the Debtors fail to observe or perform any covenant or obligation of the Debtor contained in this Agreement (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this subsection 6(a)) and such default is not remedied within ten (10) days after notice has been given by the Secured Party to the Debtor specifying such default and requiring the Debtor to remedy same;
 - (iv) any representation or warranty made by the Debtor herein or in any document or certificate provided at any time to the Secured Party in connection herewith shall prove to be incorrect or misleading in any material respect;
 - (v) the Debtor is in default under any other agreement with the Secured Party;
 - (vi) the Debtor ceases or threatens to cease to carry on operating the Debtor's Boustan Restaurant currently being carried on by it or a substantial portion thereof or makes or agrees to make an assignment, disposition or conveyance, whether by way of sale or otherwise, of its assets in bulk;
 - (vii) the Debtor shall be insolvent within the meaning of the New York Uniform Commercial Code;
 - (viii) the commencement of any proceeding or the taking of any step by or against the Debtor for any relief under the laws of any jurisdiction relating to the bankruptcy, insolvency, reorganization, arrangement, compromise or winding-up, or for the appointment of one or more of a trustee, receiver, receiver and manager, custodian, liquidator or any other person with similar powers with respect to the Debtor or the Collateral;
 - (ix) an uninsured material loss, theft, damage, or destruction to any of the Collateral;
 - (x) the Collateral or any part thereof is seized or otherwise attached by anyone pursuant to any legal process or other means, including distress, execution of any other step or proceeding with similar effect, and the same is not released, bonded, satisfied, discharged or vacated within the shorter of a period of fifteen (15) days and ten (10) days less than such period as would permit such property or any part thereof to be sold pursuant thereto; or
 - (xi) the Secured Party believes in good faith that the prospect of payment or performance of any of the Obligations is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process.
- (b) Remedies. Upon the occurrence of any Event of Default and at any time thereafter, any or all of the Obligations shall at the option of the Secured Party become immediately due and payable or be subject to immediate performance, as the case may be, without further demand or notice, both of which are expressly waived; the obligations, if any, of the Secured Party to make further advances to the Debtor shall cease; any or all security granted hereby shall, at the option of the Secured Party, become immediately enforceable; and the Secured Party shall have, all the rights and remedies of a secured party under the New York Uniform Commercial Code. Without limitation, the Secured Party shall

have the following rights and remedies, all of which rights and remedies shall be enforceable successively, concurrently and/or cumulatively:

- (i) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the «Receiver») of the Collateral and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term «Secured Party» when used in this subsection 6(b) shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party shall not be in any way responsible for any misconduct or negligence of any such Receiver;
- (ii) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;
- (iii) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;
- (iv) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
- (v) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender or by private sale either for cash upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law;
- (vi) the Secured Party may retain the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law; and
- (vii) the Secured Party may borrow money on the security of the Collateral for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Collateral in priority to the security interest granted by this Agreement.

(c) Additional Provisions on Realization. The Debtor further agrees with the Secured Party that:

- (i) the Secured Party shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect of the Collateral;
- (ii) the Secured Party may grant extensions of time, take, abstain from taking and perfecting and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the liability of the Debtor to the Secured Party of the Secured Party's rights hereunder;
- (iii) to facilitate the realization of the Collateral, the Secured Party may enter upon, occupy and use all or any of the premises and buildings occupied by the Debtor and use all of any of the Equipment and other personal property of the Debtor for such time as the Secured Party requires, free of charge, and the Secured Party shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;

- (iv) the Secured Party may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral including, without limitation, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith shall be added to and form part of the Obligations hereby secured;
- (v) the Secured Party may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured; and
- (vi) any proceeds of realization of the Collateral may be applied by the Secured Party to the payment of expenses in connection with the preservation and realization of the Collateral as above described and any balance of such proceeds shall be applied by the Secured Party to payment of the Obligations in such order as the Secured Party may see fit; if there is any surplus remaining, it shall be paid to any person having a claim thereto in priority to the Debtor of whom the Secured Party has knowledge and any balance remaining shall be paid to the Debtor; if the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor shall be liable to pay any deficiency to the Secured Party forthwith on demand.

7) GENERAL PROVISIONS

- (a) Benefits of the Agreement. The Agreement shall be binding upon the heirs, executors, administrators, successors and permitted assigns of the Debtor and shall benefit the heirs, executors, administrators, successors and assigns of the Secured Party. If there is more than one Debtor named herein, the term "Debtor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Debtor shall have any right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right or recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full.
- (b) Entire Agreement. This Agreement, including any schedule now hereafter annexed hereto, constitutes the entire agreement between the Debtor and the Secured Party with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Secured Party and the Debtor except as expressly set forth herein.
- (c) No Waiver. No delay or failure by the Debtor or Secured Party in the exercise of any right hereunder shall be construed as a waiver by that party of such right thereof, nor shall any single or partial exercise of any right hereunder preclude that party from the further exercise of such party's right thereof or any other right hereunder.
- (d) Severability. If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision of part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.
- (e) Notices. Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery or registered mail, addressed to the recipient at its address shown above, or such other address or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or other communication

given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery.

- (f) Modification or Assignment. This Agreement may not be amended or modified in any respect except by written instrument signed by the parties to this Agreement. The rights of the Secured Party under this Agreement may be assigned by the Secured Party without the prior consent of the Debtor. The Debtor may not assign its obligations under this Agreement.
- (g) Additional Continuing Security. This Agreement and the security interest granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Secured Party.
- (h) Headings. The division of this Agreement into Sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (i) Gender. In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.
- (j) Discharge. The Debtor shall not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Secured Party.
- (k) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without recourse to New York (or any other) choice of law or conflicts of law principles.
- (l) Venue. Any litigation arising out of or related to this Agreement or any related agreement; any breach of this Agreement or any related agreement; and, any and all disputes between the parties, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment in a state or federal district court of competent jurisdiction situated in the country, state, county and judicial district in which our or our affiliate's principal place of business is then located (at our sole discretion). The Debtor hereby irrevocably submits itself to the jurisdiction of any such court and waives all questions of personal jurisdiction for the purpose of carrying out this provision. The Debtor agrees that any dispute as to the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, the Debtor's Boustán Restaurant, the Secured Party may bring such an action in any country, state or federal district court which has jurisdiction. The Debtor hereby waives and covenants never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens"). As used in this section of the Agreement, the term "parties" includes the Secured Party and the Debtor.
- (m) Waiver of Jury Trial. The Debtor and the Secured Party each explicitly and irrevocably waive their respective rights to a jury trial in any litigation between them which is authorized or contemplated by this Agreement, and hereby stipulate that any such trial shall occur without a jury.
- (n) Waiver of Punitive Damages. The Debtor hereby explicitly and irrevocably waives, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special,

consequential or other similar damages in any action or proceeding whatsoever between the parties, and the Debtor covenants never to advance or pursue any such claim for punitive damages. The Debtor agrees that in the event of a dispute, the Debtor shall be limited to the recovery from the Secured Party of any actual damages sustained by the Debtor.

- (o) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by facsimile or other electronic signature (including portable document format) by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically or by facsimile as if the original had been received..

[Signature page follows.]

IN WITNESS WHEREOF, the Debtor and Secured Party have executed this Agreement as of the day, month and year first written above.

DEBTOR
[NAME OF DEBTOR]

By: _____
Name: _____
Title: _____

BOUSTAN FRANCHISE USA CORP.

By: _____
Name: _____
Title: _____

SCHEDULE "A"
TO THE GENERAL SECURITY AGREEMENT
Permitted Encumbrances

EXHIBIT G

ACKNOWLEDGMENT ADDENDUM

As you know, you and we intend to enter into a Franchise Agreement for the operation of a Boustan franchise. This Acknowledgment Addendum must be completed prior to the final execution of a Franchise Agreement. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and the operation of a Boustan franchise. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

1. Did you receive a copy of our Franchise Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing this Acknowledgment Addendum and Franchise Agreement? Check one: ☐ Yes or ☐ No. If no, please comment: _____

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: ☐ Yes or ☐ No. If no, please comment: _____

3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? Check one: ☐ Yes or ☐ No. If no, please comment: _____

4. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in the Disclosure Document or Franchise Agreement? Check one: ☐ Yes or ☐ No. If yes, please state in detail the oral, written or visual claim or representation: _____

5. Did any employee or other person speaking on behalf of Boustan Franchise USA Corp. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Boustan restaurant location or business, or the likelihood of success at your franchised business? Check one: ☐ Yes or ☐ No. If yes, please state in detail the oral, written or visual claim or representation: _____

6. Did any employee or other person speaking on behalf of Boustan Franchise USA Corp. make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document. Check one: ☐ Yes or ☐ No. If yes, please comment: _____

7. Do you understand that that the franchise granted is for the right to develop and operate a Boustan Restaurant from the Restaurant Location, as stated in Franchise Agreement Section 2.01, and that, according to Franchise Agreement Section 3.04, we and our affiliates have the right, regardless of the proximity to your Boustan Restaurant, to: (i) engage in any business activity and deploy any

business concept whatsoever and use our Proprietary Marks or any other names or marks owned or developed by us or our affiliates in connection with such other concepts and business activities; (ii) offer and sell under the Proprietary Marks, any and all programs, products or services and/or their components or ingredients (including those used or sold by your franchised Business), whether or not a part of the Boustan System, through any alternative method of distribution; (iii) offer and sell (directly, or through other franchisees or licensees) Boustan System programs, products and services at any and all nontraditional locations; and that, (iv) we and/or our affiliates alone have the right to sell Boustan System programs, products and services to national, regional and institutional accounts. Check one: ☐ Yes or ☐ No. If no, please comment: _____

8. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise for the Boustan Restaurant, meaning that any prior oral or written statements not set out in the Disclosure Document or Franchise Agreement will not be binding? Check one: ☐ Yes or ☐ No. If no, please comment: _____
- _____
- _____

9. Do you understand that the success or failure of your Boustan Restaurant will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the “Boustan” trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Boustan Restaurant may change? Check one ☐ Yes ☐ No. If no, please comment: _____
- _____
- _____

10. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Franchise Agreement Sections 12.02 and 18.01(9) and that an injunction is an appropriate remedy to protect the interests of the Boustan System if you violate the covenant(s)? Further, do you understand that the term “you” for purposes of the non-compete covenants is defined broadly in Franchise Agreement Sections 12.02 and 18.01(9), such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one ☐ Yes or ☐ No. If no, please comment: _____
- _____
- _____

11. On the receipt page of the Disclosure Document you identified Boustan Franchise USA Corp. as the franchise seller involved in this franchise sales process. Is the franchise seller identified above the only franchise seller involved with this transaction? Check one ☐ Yes or ☐ No. If no, please identify any additional franchise sellers involved with this transaction: _____
- _____
- _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

APPROVED ON BEHALF OF
BOUSTAN FRANCHISE USA CORP.

By: _____

Title: _____

Date: _____

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law.

EXHIBIT H
STATE ADDENDA TO THE FRANCHISE AGREEMENT

MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions shall supersede and apply to all franchises offered and sold under the laws of the State of Maryland.

1. No release language set forth in Section 13.01 of the Franchise Agreement (concerning requirements for renewal) or Section 14.04 of the Franchise Agreement (concerning requirements for transfer) shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland. Sections 13.01 and 14.04 of the Franchise Agreement are each hereby amended to add the following language:

“The release requirement of this Section is not intended to nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The release required under this Section will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.”
2. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three (3) years after the grant of the Franchise.
3. Section 30.04 of the Franchise Agreement requires venue to be limited to the state, county and judicial district in which the Franchisor’s principal place of business is then located. This provision is hereby deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.
4. Section 34.02 (“Your Acknowledgments”) is hereby deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.
5. The following sentence is added at the end of the last paragraph of Section 3.04 of the Franchise Agreement (“Rights We Reserve”): “The waiver, release and other provisions of this paragraph are not intended to act, nor will they act, as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”
6. Section 24.01 of the Franchise Agreement (“Integration of Agreement”) is revised to delete all but its first two sentences.
7. Section 25.01 of the Franchise Agreement (“No Oral Modification”) is revised to delete only the last two sentences.
8. The following language is hereby deleted from Section 35.01 (“Submission of Agreement”) of the Franchise Agreement: “YOU ACKNOWLEDGE THAT NO REPRESENTATIONS OR PROMISES WERE MADE TO YOU OTHER THAN THOSE SET FORTH IN OUR FRANCHISE

DISCLOSURE DOCUMENT OR IN THIS AGREEMENT, AND THAT IF ANY OTHER REPRESENTATIONS OR PROMISES WERE MADE TO YOU, YOU HAVE NOT RELIED AND ARE NOT RELYING ON THEM. YOU HAVE READ ALL OF THE FOREGOING AGREEMENT AND ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT.”

9. The Franchise Agreement and any document signed in connection with the franchise are supplemented with the following language:

“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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

FRANCHISEE:

If a corporation or other entity:

By: _____

Its: _____

(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

FRANCHISOR:

BOUSTAN FRANCHISE USA CORP.

By: _____

Name: _____

Title: _____

NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of New York:

1. The last sentence of the third paragraph of Section 7.01 of the Franchise Agreement (“Confidential Operating Manual”) is amended to read as follows: “The Manual and any additions, deletions, revisions or Supplements to the Manual are material in that they will affect the operation of the Business, but they will not conflict with or materially alter your rights and obligations under this Agreement or place an excessive economic burden on your operations.”
2. Sections 6.01, 7.02, 13.01(H) and 14.04(O) of the Franchise Agreement are each amended to include the following language immediately following the requirement that Franchisee execute a General Release: “Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied.”
3. The second sentence of Section 12.04 of the Franchise Agreement (“Enforcement of Covenants Not To Compete”) is amended to read as follows: “Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement.”
4. The third and fourth sentences of Section 23.01 of the Franchise Agreement (“Injunction”) are amended to read as follows: “You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions.”
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[Signature Lines on Following Page]

FRANCHISEE:

If a corporation or other entity:

By: _____

Its: _____

(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

FRANCHISOR:

BOUSTAN FRANCHISE USA CORP.

By: _____

Name: _____

Title: _____

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions shall supersede and apply:

1. Any provision in the Franchise Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted from Franchise Agreements issued in the State of Rhode Island.
2. §19-28.1.-14 of the Rhode Island Franchise Investment Act provides: “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.”
3. The Franchise Agreement and any document signed in connection with the franchise are supplemented with the following language:

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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. The following sections of the Franchise Agreement are hereby deleted: 34.02(1)–(6).

[Signature Lines on Following Page]

FRANCHISEE:

If a corporation or other entity:

By: _____

Its: _____
(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

FRANCHISOR:

BOUSTAN FRANCHISE USA CORP.

By: _____

Name: _____

Title: _____

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provision shall supersede and apply:

1. Section 5.01 is amended to add the following language:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the franchise agreement.

2. The Franchise Agreement and any document signed in connection with the franchise are supplemented with the following language:

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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. The following sections of the Franchise Agreement are hereby deleted: 34.02(1)–(6).

FRANCHISEE:

If a corporation or other entity:

By: _____

Its: _____

(Title)

(Print Name)

If an individual:

(Signature)

(Print Name)

FRANCHISOR:

BOUSTAN FRANCHISE USA CORP.

By: _____

Name: _____

Title: _____

EXHIBIT B
FINANCIAL STATEMENTS

BOUSTAN FRANCHISE USA CORP.
FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2024, 2023 AND 2022

**BOUSTAN FRANCHISE USA CORP.
FOR THE YEARS ENDED MAY 31, 2024, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder
Boustan Franchise USA Corp.

Opinion

We have audited the accompanying financial statements of Boustan Franchise USA Corp., which comprise the balance sheets as of May 31, 2024 and 2023, and the related statements of operations, changes in shareholder's equity (deficit) and cash flows for each of the years in the three-year period ended May 31, 2024, 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 Boustan Franchise USA Corp. as of May 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended May 31, 2024, 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 Boustan Franchise USA Corp. 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 Boustan Franchise USA Corp.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

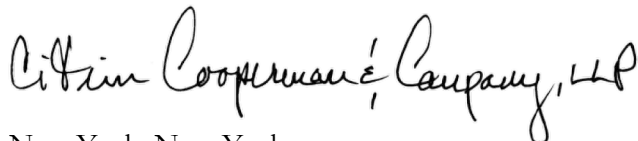
Auditor's Responsibilities for the Audit of the Financial Statements

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 Boustan Franchise USA Corp.'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 Boustan Franchise USA Corp.'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.



New York, New York
December 12, 2024

BOUSTAN FRANCHISE USA CORP.
BALANCE SHEETS
MAY 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 51,546	\$ 21,163
Prepaid income taxes	<u>4,000</u>	<u>4,000</u>
Total current assets	55,546	25,163
Property and equipment, net	<u>1,995</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 57,541</u>	<u>\$ 25,163</u>
<u>LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIT)</u>		
Current liabilities:		
Accrued expenses	\$ 18,864	\$ 3,094
Due to Parent	<u>-</u>	<u>750</u>
Total current liabilities	18,864	3,844
Long-term liability:		
Due to Parent	32,079	-
Deferred revenues	<u>50,000</u>	<u>10,000</u>
Total liabilities	<u>100,943</u>	<u>13,844</u>
Commitments (Note 5)		
Shareholder's equity (deficit):		
Common stock - no par value; 1,000 shares authorized; 100 shares issued and outstanding	-	-
Additional paid-in capital	88,835	88,835
Accumulated deficit	<u>(132,237)</u>	<u>(77,516)</u>
Total shareholder's equity (deficit)	<u>(43,402)</u>	<u>11,319</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIT)	<u>\$ 57,541</u>	<u>\$ 25,163</u>

See accompanying notes to financial statements.

BOUSTAN FRANCHISE USA CORP.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MAY 31, 2024, 2023 AND 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues	\$ -	\$ -	\$ -
Selling, general and administrative expenses	(54,721)	(28,235)	(26,210)
Other expenses:			
Income tax expenses	<u>-</u>	<u>(750)</u>	<u>-</u>
NET LOSS	\$ <u>(54,721)</u>	\$ <u>(28,985)</u>	\$ <u>(26,210)</u>

See accompanying notes to financial statements.

BOUSTAN FRANCHISE USA CORP.
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (DEFICIT)
FOR THE YEARS ENDED MAY 31, 2024, 2023 AND 2022

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-In Capital	Deficit	Shareholder's Equity (Deficit)
Balance - May 31, 2021	100	\$ -	\$ 37,447	\$ (22,321)	\$ 15,126
Net loss	-	-	-	(26,210)	(26,210)
Additional paid-in capital	-	-	29,420	-	29,420
BALANCE - May 31, 2022	100	-	66,867	(48,531)	18,336
Net loss	-	-	-	(28,985)	(28,985)
Additional paid-in capital	-	-	21,968	-	21,968
BALANCE - MAY 31, 2023	100	-	88,835	(77,516)	11,319
Net loss	-	-	-	(54,721)	(54,721)
BALANCE - MAY 31, 2024	<u>100</u>	<u>\$ -</u>	<u>\$ 88,835</u>	<u>\$ (132,237)</u>	<u>\$ (43,402)</u>

See accompanying notes to financial statements.

BOUSTAN FRANCHISE USA CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2024, 2023 AND 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:			
Net loss	\$ (54,721)	\$ (28,985)	\$ (26,210)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Changes in operating assets and liabilities:			
Accrued expenses	15,770	1,426	1,553
Deferred revenues	40,000	-	10,000
Prepaid income taxes	-	(4,000)	-
Due to Parent	<u>31,329</u>	<u>750</u>	<u>-</u>
Net cash provided by (used in) operating activities	32,378	(30,809)	(14,657)
Cash used in investing activities:			
Additions to property and equipment	(1,995)	-	-
Cash provided by financing activities:			
Additional paid-in capital	<u>-</u>	<u>21,968</u>	<u>29,420</u>
Net increase (decrease) in cash	30,383	(8,841)	14,763
Cash - beginning	<u>21,163</u>	<u>30,004</u>	<u>15,241</u>
CASH - ENDING	<u>\$ 51,546</u>	<u>\$ 21,163</u>	<u>\$ 30,004</u>
Supplemental disclosures of cash flow information:			
Income taxes paid	<u>\$ -</u>	<u>\$ 4,750</u>	<u>\$ -</u>

See accompanying notes to financial statements.

BOUSTAN FRANCHISE USA CORP.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Boustan Franchise USA Corp. (the "Company"), a wholly-owned subsidiary of 9403-1721 Quebec Inc. (the "Parent"), was formed on July 24, 2019, as a Delaware corporation to sell franchises and master franchises pursuant to a limited non-exclusive license agreement dated November 1, 2019, between the Company and 10021024 Canada Inc. (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate quick serve restaurant businesses under the "Boustan" name and system specializing in the offer and sale of Mediterranean cuisine and related programs, products and services. Pursuant to the Company's standard master franchise agreement, master franchisees will serve as a subfranchisor, authorized to offer and sell "Boustan" restaurant franchises within a designated territory to qualified and wholly-independent third-party franchisees pursuant to individual unit franchise agreements to be executed between the master franchisee and third-party franchisees. Master franchisees will also operate their own "Boustan" restaurants.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of some of its franchisees to make required payments. The Company assesses collectibility by reviewing accounts receivable on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and makes judgments about the creditworthiness of the pool of franchisees based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions are considered in adjusting the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

BOUSTAN FRANCHISE USA CORP.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

The Company uses the asset and liability method of accounting for income taxes pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under the asset and liability method of FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company is subject to United States federal, state and local income taxes. Therefore, U.S. GAAP requires that any such effects be recognized based on the outcome that is more likely than not to occur. Under this criterion, the most likely resolution of an uncertain tax position should be analyzed based on technical merits and on the outcome that will likely be sustained under examination. As of May 31, 2024 and 2023, the Company had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements. The Company's policy is to record estimated interest and penalties related to uncertain tax positions as a component of income tax expense. As of May 31, 2024 and 2023, the Company had no accrued interest or penalties recorded.

The Company files income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

The Company's effective income tax rate is lower than what would be expected if the federal statutory rate was applied due to net operating loss carryforwards which are fully reserved. As of May 31, 2024, the Company had federal and state income tax net operating loss carryforwards of approximately \$76,000, each which are available indefinitely until they are used to offset taxable income in future periods. Management has concluded that it is more likely than not that the Company will be able to fully utilize the deferred tax asset and has established a full valuation allowance at May 31, 2024 and 2023.

Property, plant and equipment

Property, plant and equipment are carried at cost. Expenditures for maintenance and repairs are expensed currently, while renewals and betterments that materially extend the life of an asset are capitalized. The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation, are eliminated from the accounts, and any resulting gain or loss is recognized.

BOUSTAN FRANCHISE USA CORP.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which are as follows:

Equipment	7 years
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Revenue and cost recognition

The Company derives its revenues from franchise fees, royalty fees, and system advertising fund fees.

Franchise fees and royalties

Contract consideration from franchisees consists primarily of initial or renewal franchise fees, multi-unit agreement fees ("MUAs"), sales-based royalties, sales-based system advertising fund fees and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee.

The Company also enters into MUAs which grant a franchisee the right to develop two or more franchise territories. The Company collects an up-front fee for the grant of such rights. The initial franchise fees and up-front multi-unit fees are nonrefundable and collectable when the underlying franchise agreement or MUA is signed by the franchisee. Sales-based royalties and marketing fund fees are payable on a monthly basis. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligations under the franchise agreement include the granting of certain rights to access the Company's intellectual property in addition to a variety of activities relating to the opening of a franchise unit. Those costs includes site selection, training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under Accounting Standards Update ("ASU") No. 2021-02, *Franchisors - Revenues from Contracts with Customers* (Subtopic 952-606) ("ASU 2021-02"), are recognized as a single performance obligation. For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities, if any, that is not brand specific will be deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property and therefore accounted for as a separate performance obligation. All other pre-opening activities will be determined to be highly interrelated to the use of the Company's intellectual property and therefore accounted for as a component of a single performance obligation which is satisfied along with granting of certain rights to use the Company's intellectual property over the term of each franchise agreement.

BOUSTAN FRANCHISE USA CORP.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees and royalties (continued)

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 is recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to use the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. MUAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, up-front fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees.

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

System advertising fund

The Company reserves the right to establish a system advertising fund to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Franchisees will be charged 2% of their weekly gross sales by the system advertising fund in accordance with the Company's standard franchise agreement. The Company also reserves the right to designate any geographical area in which franchisees are operating for purposes of establishing a regional advertising cooperative ("Cooperative"). If the Cooperative is established, franchisees will contribute up to 2% of their weekly gross revenues. As of May 31, 2024, the Company has not yet established a system advertising fund or a Cooperative. The Company has determined that it acts as a principal in the collection and administration of the marketing fund and therefore recognizes the revenues and expenses related to the marketing fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the marketing fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the system advertising fund represent the right to access the Company's intellectual property, which will be recognized as franchisee sales occur.

When system advertising fund fees exceed the related system advertising fund expenses in a reporting period, advertising costs will be accrued up to the amount of system advertising fund revenues recognized.

BOUSTAN FRANCHISE USA CORP.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Other revenues

The Company recognizes revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement and MUAs. In the case of costs paid related to MUAs for which no signed franchise agreement has been received, these costs are deferred until the signed franchise agreement is received.

Advertising

Advertising costs are expensed as incurred. No advertising costs incurred for the years ended May 31, 2024, 2023 and 2022, respectively.

Franchised outlets

The following data presents the status of the Company's master franchised outlets as of May 31:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Master franchises sold	-	1	1
Master franchises purchased	-	-	-
Master franchised outlets in operation	-	-	-
Master franchisor-owned outlets in operation	-	-	-

The following data presents the status of the Company's franchised outlets as of May 31:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Franchises sold	-	1	1
Franchises purchased	-	-	-
Franchised outlets in operation	-	-	-
Franchisor-owned outlets in operation	-	-	-

Variable interest entities

In October 2018, FASB issued ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements. The Company applies the alternative accounting and disclosures for certain variable interest entities provided to private companies pursuant to U.S. GAAP. The Company has determined that related party, as described in Note 5, meet the conditions under the standard, and accordingly, is not required to include the accounts of related parties in the Company's financial statements.

BOUSTAN FRANCHISE USA CORP.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through December 12, 2024, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

Recently adopted accounting standards

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)* ("ASC 326"), along with subsequently issued related ASUs, which requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The adoption of ASC 326 had no impact on the Company's financial statements.

NOTE 3. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues will be dependent on the strength of the economy in the United States, and the Company's ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this will best depict how the nature, amount, timing and uncertainty of revenue and cash flows will be affected by economic factors.

Contract balances

Contract liabilities are comprised of unamortized total development fee, per the master franchise agreement, received from franchisees, which are presented as "Deferred revenues" in the accompanying balance sheets. A summary of significant changes in deferred revenues during the years ended May 31, 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Deferred revenues - beginning of year	\$ 10,000	\$ 10,000
Revenue recognized during the year	-	-
Additions for initial franchise fees received	<u>40,000</u>	<u>-</u>
Deferred revenues - end of year	<u>\$ 50,000</u>	<u>\$ 10,000</u>

Deferred revenues consisted of the following at May 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Franchise units not yet opened	\$ 50,000	\$ 10,000
Opened franchise units	<u>-</u>	<u>-</u>
Total	<u>\$ 50,000</u>	<u>\$ 10,000</u>

BOUSTAN FRANCHISE USA CORP.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 4. CONCENTRATIONS OF CREDIT RISK

The Company places its cash in a major financial institution in Canada, which is insurable by the Canada Deposit Insurance Corporation. As of May 31, 2024 and 2023, there were no balances in excess of CDIC insurance limits.

NOTE 5. RELATED-PARTY TRANSACTIONS

License agreement

On November 1, 2019, the Company entered into a 20-year limited non-exclusive license agreement with the Licensor for the use of the registered name "Boustan" (the "license agreement"). Pursuant to the license agreement, the Company acquired the right to sell "Boustan" franchises and master franchises, and the right to earn franchise fees, royalties and other fees from franchisees and master franchisees. In accordance with the license agreement, the Company was required to pay the Licensor an initial license fee equal to \$12,500. The license fee expense for the years ended May 31, 2024, 2023 and 2022, was \$-, \$- and \$-, respectively.

Shared services arrangement

During 2022, the Company entered into a shared service arrangement with the Parent. The Parent provides management oversight services and other services, as agreed upon. Pursuant to the shared services arrangement, the Company has agreed to reimburse the Parent for all shared service costs incurred by the Parent on behalf of the Company. There were no shared service expenses for the years ended May 31, 2024, 2023 and 2022.

Due to Parent

In the ordinary course of business, the Company receives advances and loans funds to the Parent. The amount due to the Parent at May 31, 2024 and 2023, was \$32,079 and \$750, respectively. No interest is charged on these advances. Advances to and from the Parent are unsecured and have no specific repayment terms. Management doesn't expect balances due to the Parent to be settled in near term.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at May 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Machinery and equipment	\$ <u>1,995</u>	\$ <u>-</u>
Propert and equipment, net	\$ <u><u>1,995</u></u>	\$ <u><u>-</u></u>

There was no depreciation expense for the year ended May 31, 2024, as the property and equipment had not been put to use as of May 31, 2024.

NOTE 7. LIQUIDITY

The Company has sustained continued operating losses, and since inception, the Company's operations have been primarily funded through capital contributions. The Company is growing and, as such, is incurring expenditures in the near term to benefit the future as it looks to grow the franchisee base and expand into new markets. Such expenses could be reduced or eliminated in order to improve operating cash flows as needed in the future, until such time the Company is able to generate meaningful revenues and attain profitable operations.

BOUSTAN FRANCHISE USA CORP.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024 AND 2023

NOTE 7. LIQUIDITY (CONTINUED)

If necessary, management of the Company has been advised that the shareholder of the Parent will continue to provide any financial assistance needed by the Company should its cash flows from operations combined with its available cash balances not be sufficient to meet its working capital needs. Management believes that the shareholder of the Parent has the intent and ability to provide the funds needed, if any, to continue to fund the operations of the Company for at least one year from the date these financial statements were available to be issued.

EXHIBIT C

STATE FRANCHISE ADMINISTRATORS

STATE FRANCHISE ADMINISTRATORS

CALIFORNIA

Department of Financial Protection and
Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(866) 275-2677

HAWAII

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

ILLINOIS

Chief – Franchise Bureau
Office of Attorney General
State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA

Franchise Section
Indiana Securities Commission
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 Williams Building
525 W. Ottawa Street
Lansing, Michigan 48913

MINNESOTA

Minnesota Department of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

NEW YORK

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

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505

RHODE ISLAND

Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

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

WASHINGTON

Securities Division
Department of Financial Institutions
150 Israel Rd. SW
Tumwater, WA 98501

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
201 W. Washington Avenue – Third Fl.
Madison, Wisconsin 53703

EXHIBIT D
AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

If a state is not listed below, Boustan Franchise USA Corp. has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which Boustan Franchise USA Corp. has appointed an agent for service of process.

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

CALIFORNIA

Office of the Commissioner
California Department of Financial Protection and
Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

NEW YORK

Secretary of State
99 Washington Avenue
Albany, NY 12231

HAWAII

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

NORTH DAKOTA

Securities Commissioner, State of North Dakota
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505

RHODE ISLAND

Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

ILLINOIS

Attorney General of the State of Illinois
500 South Second Street
Springfield, Illinois 62706

SOUTH DAKOTA

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501

INDIANA

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

VIRGINIA

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

MARYLAND

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

WASHINGTON

Director of Financial Institutions
Department of Financial Institutions
150 Israel Rd. SW
Tumwater, WA 98501

MICHIGAN

Michigan Department of Commerce
Corporations and Securities Bureau
6586 Mercantile Way
Lansing, Michigan 48909

WISCONSIN

Administrator, Division of Securities
Department of Financial Institutions
201 W. Washington Avenue – Third Fl.
Madison, Wisconsin 53703

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198

EXHIBIT E
GENERAL RELEASE

Effective _____ (the "Effective Date"), this General Release is given by _____ and _____, and each of their predecessors, corporate parents, subsidiaries, affiliates, successors, assigns, heirs, beneficiaries, executors and administrators; and, all of the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities)(collectively, "you" or "your") to BOUSTAN FRANCHISE USA CORP., and each of its predecessors, corporate parents, subsidiaries, affiliates, successors, assigns, heirs, beneficiaries, executors and administrators; and, all of the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities)(collectively, "we," "us," or "our").

In consideration of _____, and other good and valuable consideration, the receipt of which is hereby acknowledged, on the Effective Date, you forever release and discharge us from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or equity, which you now have or ever had against us from the beginning of world to the Effective Date, including without limitation, anything arising out of that certain Franchise Agreement between you and us dated _____, the franchise relationship between you and us, your purchase of any franchise, business opportunity, seller assisted marketing plan from us, any representations or warranties we or our agents have made to you or omitted, and any other relationship, seller assisted marketing plan, or business opportunity between you and us. You hereby release: (a) any and all claims you have against us, including those of which you are not now aware; and (b) all claims you have against us from anything which has happened up to and including the Effective Date of this Release.

You are bound by this Release. This Release is intended by you to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of you against us regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, you acknowledge that claims or facts in addition to or different from those which are now known or believed to exist with respect to matters mentioned herein may later be discovered and that it is your intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. If you are domiciled or have your principal place of business in the State of California, then you hereby expressly waives and relinquish all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

You represent and warrant to us that you have not assigned or transferred to any other person any claim or right you had or now have relating to or against any of us. In this Release, each pronoun includes the singular and plural as the context may require. This Release may not be changed orally. This Release is governed by New York law.

By: _____
Name: _____
Title: _____

Individually

Individually

EXHIBIT F
STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
California	
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 G
STATE ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT

MARYLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

This will serve as the State Addendum for the State of Maryland for BOUSTAN FRANCHISE USA CORP'S Franchise Disclosure Document.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement which provide for termination upon bankruptcy of the franchisee/multi-unit operator may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).
5. The appropriate sections of the Franchise Agreement is amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
6. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
7. The appropriate sections of the Franchise Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment and/or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
8. The Franchise Agreement is amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NEW YORK ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be 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 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.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.
5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”: The foregoing 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.

6. The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. *Receipts.* Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

RHODE ISLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

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

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

2. 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.

VIRGINIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for BOUSTAN FRANCHISE USA CORP'S use in the Commonwealth of Virginia shall be amended as follows:

- 1 Item 5 of this disclosure document is modified to include the following language:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the franchise agreement.

2. Additional Disclosure: The following statements are added to Item 17(h):

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

3. 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.

EXHIBIT H RECEIPT

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

If Boustan Franchise USA Corp. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is Boustan Franchise USA Corp., located at 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada. Its telephone number is 1-833-268-7826.

Issuance date: December 16, 2024

The franchise sellers for this offering are Emad Saad and Fady Solliman, Boustan Franchise USA Corp., 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada, 1-833-268-7826.

Boustan Franchise USA Corp authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I received a disclosure document dated December 16, 2024 that included the following Exhibits:

- EXHIBIT A FRANCHISE AGREEMENT AND RELATED MATERIALS
- EXHIBIT B FINANCIAL STATEMENTS
- EXHIBIT C STATE ADMINISTRATORS
- EXHIBIT D AGENTS FOR SERVICE OF PROCESS
- EXHIBIT E GENERAL RELEASE
- EXHIBIT F STATE EFFECTIVE DATES PAGE
- EXHIBIT G STATE ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT
- EXHIBIT H RECEIPTS

Dated: _____
If a corporation or other business entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

PROSPECTIVE FRANCHISEE:
If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

You may return the signed receipt by signing, dating, and mailing it to Boustan Franchise USA Corp. at 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada.

EXHIBIT H RECEIPT

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

If Boustan Franchise USA Corp. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is Boustan Franchise USA Corp., located at 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada. Its telephone number is 1-833-268-7826.

Issuance date: December 16, 2024

The franchise sellers for this offering are Emad Saad and Fady Solliman, Boustan Franchise USA Corp., 6505 Trans Canada Route Saint-Laurent, Suite 320, Qc, H4T 1S3, Canada, 1-833-268-7826.

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- EXHIBIT G STATE ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT
- EXHIBIT H RECEIPTS

Dated: _____
If a corporation or other business entity:

(Name of Entity)

By: _____

Its _____
(Title)

(Print Name)

PROSPECTIVE FRANCHISEE:
If an individual:

(Signature)

(Print Name)

(Signature)

(Print Name)

PLEASE KEEP THIS RECEIPT FOR YOUR RECORDS.