

## FRANCHISE DEVELOPMENT SERVICES AGREEMENT

This FRANCHISE DEVELOPMENT SERVICES AGREEMENT ("Agreement") is entered into as of March 1, 2017 (the "Effective Date"), by and between BURGERIM GROUP USA, INC., a California corporation with its principal place of business at 16861 Ventura Boulevard, Suite 303, Encino, California 91436 ("Company"), on the one hand, and Burgerim Florida, LLC, a Delaware limited liability company with its principal place of business at 3115 Palisades Drive, Corona, California 92880 ("BR Florida"). Company and BR Florida may be referred to collectively herein as "parties" and individually as a "party."

### RECITALS

- A. WHEREAS, Company, a privately-owned corporation, is a franchisor of "Burgerim" restaurants, a chain of gourmet fast-food establishments primarily selling hamburgers, with restaurant locations across the United States and worldwide.
- B. WHEREAS, Company desires to grow Company's business operations in the State of Florida ("Territory"). *and any where else as long as we agree on the deal.*
- C. WHEREAS, BR Florida represents that it is willing and able to provide its services to grow the Company's business in the Territory by providing its resources, skills and knowledge ("Services").

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### AGREEMENT

1. **Recitals.** The Recitals set forth above are agreed to be true and correct and are hereby incorporated by reference into the agreement of the parties embodied in this Agreement.

2. **Agreement Premium Due to Company and Split of Franchise Fees.** As consideration for Company's willingness to enter into this Agreement, separate and apart from Company's profit participation as described herein or any other fees, royalties or profits due Burgerim under this Agreement, BR Florida shall pay Company an Agreement premium of Two Million Nine Hundred Thousand Dollars (\$2,900,000) (the "Agreement Premium"), of which \$300,000 has already been credited against the Agreement Premium for sales of franchises that have been completed from January 1, 2017 through March 14, 2017. The remaining Two Million Six Hundred Thousand Dollars (\$2,600,000) is to be paid as follows:

a. The net monthly proceeds of the sales of franchises sold in the Territory, after deducting (not including any proceeds which are returned to any franchisees who cancel their agreements): (i) any Overhead paid to BR Florida (as defined below, but in no case to exceed \$51,000 per month, including any consulting fees paid to BR Florida); (ii) any amounts paid by Company for potential franchisee leads in the Territory (the "Lead Cost"); and (iii) any sales

commissions due on sales of franchises in the Territory (such calculation to be defined as the "Net Franchise Fees") will be divided between Company and BR Florida. Company shall receive forty-nine percent (49%) and Amit Buchnick shall receive two percent (2%) of the Net Franchise Fees. From the remaining forty-nine percent (49%), fifteen percent (15%) (i.e., 15% of 49% = 7.35% of the Net Franchise Fees) shall be paid to BR Florida, while the remainder shall be paid to Company to reduce the amounts remaining due of the Agreement Premium. This calculation shall continue until such time as the amounts left due on the Agreement Premium are no more than \$1,000,000. 15% 30%

i. Solely by way of example, if the monthly sales of franchises in the Territory for a given month are equal to \$300,000, Overhead is equal to \$51,000, Lead Costs are equal to \$15,000, and sales commissions are equal to \$20,000, the Net Franchise Fees of \$214,000 would be divided as follows: Company would be entitled to \$104,860 (49% of \$214,000); Amit Buchnik would be entitled to \$4,280 (2% of \$214,000); and from the remainder, \$15,729 (15% x 49% x \$214,000) would be paid to BR Florida, and \$89,131 (85% x 49% x \$214,000) would be paid to Company to pay down the Agreement Premium, following which the Agreement Premium (if, by way of example, were originally \$2,600,000) would be decreased to \$2,510,869. 30%

15% 50% ← b. After the amount due of the Agreement Premium has been paid down to not more than \$1,000,000, the Net Franchise Fees sold in the Territory will be divided as follows: Company shall receive forty-nine percent (49%) of the sales proceeds and Amit Buchnick shall receive two percent (2%) of the Net Franchise. From the remaining forty-nine percent (49%), twenty-five percent (25%) (i.e., 25% of 49% = 12.25% of the Net Franchise Fees) shall be paid to BR Florida, while the remainder shall be paid to Company to reduce the amounts remaining due of the Agreement Premium. This calculation shall continue until such time as the Agreement Premium is paid in full.

i. Solely by way of example, if the monthly sales of franchises in the Territory for a given month are equal to \$300,000, Overhead is equal to \$51,000, Lead Costs are equal to \$15,000, and sales commissions are equal to \$20,000, the Net Franchise Fees of \$214,000 would be divided as follows: Company would be entitled to \$104,860 (49% of \$214,000); Amit Buchnik would be entitled to \$4,280 (2% of \$214,000); and from the remainder, \$26,215 (25% x 49% x \$214,000) would be paid to BR Florida, and \$78,645 (75% x 49% x \$214,000) would be paid to Company to pay down the Agreement Premium, following which the Agreement Premium (if, by way of example, were originally \$1,000,000) would be decreased to \$921,355. 50%

c. After the Agreement Premium has been paid in full, the entire remaining forty-nine percent (49%) of the Net Franchise Fees shall be paid to BR Florida and Company shall continue to receive 49% and Amit Buchnick shall continue to receive 2% of the Net Franchise fees through the term of this Agreement. and Great Master Franchise Agreement with same % to BR Florida

d. Company shall provide BR Florida an accounting of the franchise fees received for franchises sold by BR Florida and deposit the amounts due to BR Florida's and Amit Buchnick's every month on the 15<sup>th</sup> day of the month.

e. Notwithstanding any of the above terms, BR Florida is obligated to pay the entire Agreement Premium to Company within twenty-four (24) months of the Effective Date ("Agreement Premium Due Date").

3. **Company Obligations.**

a. Provide BR Florida with Company's 2016 Profit/Loss Statement and audited financial information;

b. Provide BR Florida with full access to Company's accounting and financial reports for any and all information relating to all Burgerim stores located in the Territory, whether Company owned or owned by Franchisees. Company agrees to separate its accounting for all Burgerim stores located in the Territory from any other accounting for the Company, to open a separate account, and to use the separate account only for Territory transactions;

c. Provide leads lists as reasonably requested by BR Florida and as reasonably available from Company; and

d. Pay Sales Representatives their agreed upon commissions as detailed in a separate agreement for Franchises each sales representative has sold.

e. Provide BR Florida marketing material, regulatory documentation, franchise documents, all training manuals, all Franchise processes and procedures sufficient for BR Florida to perform all of its obligations under this Agreement.

f. **Extra-Territory Sales:**

i. Provide BR Florida twenty-five percent (25%) commission on any master franchise fee (and not on royalties) for any Burgerim master franchises (and not on individual franchises) sold outside the Territory that is sold solely by Mark Bastorous.

ii. Provide BR Florida a flat fee of \$10,000 for any individual Burgerim franchise sold outside of the Territory that is sold solely by Mark Bastorous.

iii. All commissions due under this subsection 3(f) shall be paid in equal parts to BR Florida and any other sales person participating in any such sale, if any.

<sup>5</sup>  
iv. Payments due to BR Florida under this subsection 3(f) shall be paid within thirty (30) days of when the franchise fee for such sale is received by Company and clears Company's bank account. If such a franchise fee is refunded to a franchisee for any reason, then the commission paid on such franchise fee shall be refunded by BR Florida to Company within thirty (30) days of request therefor.

g. **Overhead.**



i. Company acknowledges BR Florida's overhead costs to grow the Florida market and shall pay overhead costs of no more than Fifty-One Thousand Dollars (\$51,000) per month (the "Overhead"), which must include and be inclusive of:

1. BR Florida's consulting fees of \$20,000 per month, paid on the 1<sup>st</sup> day of each month ("Consulting Fees"), provided, however, that if Company, in its reasonable discretion, determines that the management provided by BR Florida has fallen below the standard of care necessary for fulfilling BR Florida's duties under this Agreement, Company may send notice to BR Florida of the nature of such breaches. BR Florida shall cure any such deficiencies and/or breaches within twenty (20) days of receiving such notice. If BR Florida fails to perform such cures, in Company's reasonable discretion, then Company may dismiss BR Florida and/or its principal from its management duties and direct that a new Chief Executive Officer be hired to fulfill such role and/or position, in which case the Consulting Fees shall be deducted from the Overhead paid to BR Florida, and BR Florida and Mark Bastorous shall be responsible for returning the Vehicle upon such termination notice. BR Florida shall be responsible for paying any automobile insurance for use of the Vehicle, which insurance payments Company shall reimburse to BR Florida as part of the Overhead so long as Consulting Fees are being paid;

2. Not more than \$1,200 per month towards the lease of an automobile to be used by BR Florida's principal ("Vehicle").

3. At least one (1) Project manager;

4. Residential rent for BR Florida's principal (not to exceed \$4,000 per month);

5. At least two (2) trainers, who will train new franchisees on how to operate a franchise pursuant to the Company's guidelines and policies;

6. At least two (2) telemarketers;

7. At least one (1) administrative assistant; and

8. All other office overhead, including, without limitation, facility rent, utilities, internet, supplies, furniture, and any and all other operating expenses.

ii. Should there be a need to increase the payment of Overhead costs, BR Florida will make a request, state the reasons why an increase is needed, how much additional costs are being requested and Company will consider its request. Company will not unreasonably withhold its consent. Upon approval of such request, the additional compensation will begin on the following month in the regular manner of payment as outlined above.

iii. Overhead costs that are payable on the first of the month (e.g., Consulting Fees, rent, etc.) shall be paid by Company to BR Florida on the first of the month. All other Overhead costs shall be payable within fifteen (15) days after written request by BR Florida to Company.

4. **BR Florida Franchisees.**

a. BR Florida shall present any potential new franchisees to Company for approval. Neither BR Florida nor BR Florida shall have the right to sell a franchise to any person or entity without Company's prior written approval and consent, which consent will not be unreasonably withheld or delayed. ?

b. Upon Company's approval of any BR Florida-presented potential franchisee, BR Florida shall cause such potential franchisee to enter into any and all appropriate franchise agreements (the "Franchise Agreements") as between such person or entity and Company so as to sell such person or entity a Company franchise.

c. For all franchisees approved by Company and brought to Company by BR Florida/BR Florida ("BR Florida Franchisees"), BR Florida, using BR Florida's personnel and resources, shall be responsible to:

i. Ensure that BR Florida Franchisee executes and receives any and all necessary paperwork to be in compliance with all applicable municipal, regional, state, federal and administrative statutes, laws, regulations, and ordinances, and Company's Franchise Disclosure Document for the Territory (collectively, the "Laws");

ii. Locate a suitable location for the BR Florida Franchisee (approved in writing by Company); ?

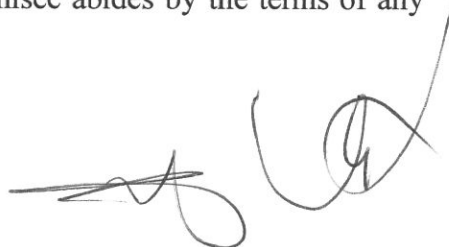
iii. Work with corporate counsel and/or BR Florida Franchisee's counsel to negotiate favorable terms for the lease for such location;

iv. Negotiate construction, equipment, and supplies costs for the BR Florida Franchisee's location build-out (except the costs of food, drinks, and any supplies procured or procurable through Company's Master Distribution Agreement with Sysco Corporation ("Sysco"), and/or any subsequent or concurrent distribution agreement(s) entered between Company and any food/supplies distributor (a "Distribution Agreement")). For purposes of this Agreement, Sysco or any concurrent and/or subsequent food/supplies distributor contracted with Company to services Company's franchisees shall be referred to as a "Distributor" or the "Distributors");

v. Ensure that the BR Florida Franchisee operates in a region serviced by all of Company's Distributors;

vi. Ensure that the BR Florida Franchisee enters into a Participation Agreement with any Distributor requiring such to purchase food, drinks, and supplies from such Distributor pursuant to the Distribution Agreement;

vii. Ensure that the BR Florida Franchisee abides by the terms of any Distribution Agreement into which it enters;

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viii. Ensure that the BR Florida Franchisee abides by the terms of any other agreement entered into by Company to provide equipment or services to Company's franchisees;

ix. Negotiate equipment costs for the BR Florida Franchisee's location;  
and

x. Ensure that the BR Florida Franchisee operates pursuant to the rules, regulations, guidelines, and terms of the Franchise Agreements.

d. BR Florida shall not do any of the following in performing the services stated hereinabove, unless previously approved in writing by Company:

i. Attempt to make any different or new agreement as between BR Florida Franchisees/BR Florida and any other distributor other than the Distributor chosen and contracted with Company;

ii. Attempt to make any different or new agreement as between BR Florida Franchisees/BR Florida and any other provider of equipment or services when Company has already contracted with a company to exclusively supply such equipment or services to all of Company's franchisees; and/or

iii. Do, perform, or take any action or inaction in derogation or violation of any Laws.

e. Royalties:

i. For all franchises located in the Territory, franchise royalties shall be paid directly to Company.

ii. At the end of each calendar month, Company shall calculate the amount of royalties received from all Florida franchises, and within thirty (30) days of the end of each such month, remit via wire a percentage of all such payments received and cleared in Company's bank accounts to BR Florida (the "BR Florida Royalty Percentage"). The BR Florida Royalty Percentage shall be equal to the percentage BR Florida receives during that same month of Net Franchise Fees pursuant to Paragraph 2 above.

5. **Exclusivity.** This Agreement shall not be construed as a "Master Franchise Agreement." BR Florida shall have a non-exclusive right to sell franchises in the Territory. BR Florida understands and agrees that Company may still sell franchises in the Territory without the need for any permission or license from BR Florida, and BR Florida agrees not to interfere in such sales or agreements if they transpire. However, if Company sells franchises or opens company stores in the Territory, any franchise fees and royalties from franchises or net sales from Company stores shall be paid in the manner outlined in this Agreement.

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6. **Confidential Information/Rights and Duties.**

a. **Confidential Information.** BR Florida acknowledges that during the course of BR Florida's retention BR Florida may have and/or be given access to the Company's confidential and proprietary information. Such confidential information may include, without limitation: i) business and financial information; ii) business methods and practices; iii) technologies and technological strategies; iv) marketing strategies; v) client/customer contact information; and other such information as the Company may designate as confidential ("Confidential Information"). As further consideration for this Agreement, BR Florida agrees to not disclose to any other person or entity (unless required by law) or use for personal gain any Confidential Information at any time during or after the termination of retention, unless Company grants express, written consent of such a disclosure. BR Florida agrees to use the same degree of care as it employs with respect to BR Florida's own confidential proprietary information, but in all events at least a reasonable degree of care, to preserve the confidentiality and prevent the unauthorized use or disclosure of such Confidential Information. Disclosed Confidential Information shall be restricted to use specifically to fulfill the purposes of this Agreement or any subsequent agreement entered into between the parties, and shall be restricted to use by those employees and agents of BR Florida reasonably deemed by BR Florida to have a need for such Confidential Information for such purposes. BR Florida shall notify such employees, contractors, and agents of the proprietary nature of such Confidential Information, and shall take reasonable steps to prevent such employees, contractors, and agents from acting in a manner inconsistent with the terms of this Agreement. BR Florida acknowledges that in the event the proprietary and confidential nature of the Confidential Information is violated, Company shall be substantially damaged, and shall pursue all rights and remedies afforded to it under law against BR Florida, including, but not limited to, injunctive relief to prevent further breach of the provisions of this Agreement, and damages resulting from, arising out of, and suffered as a consequence of said breach, whether foreseeable or otherwise. BR Florida shall be personally, jointly, and severally liable for any and all damages suffered by Company which are caused, either directly or indirectly, by BR Florida's breach of this paragraph. This paragraph shall apply to any of BR Florida's contractors, employees, agents, affiliates, directors, officers and/or representatives.

b. Nothing contained in this Section 6 shall constitute a waiver by the Company of any claims for actionable conduct committed by BR Florida after the termination of this Agreement (e.g., claims for unfair competition or breach of confidentiality).

7. **Company Buyout.**

a. In the event Company sells a master franchise or other exclusive right to sell and/or operate Burgerim franchises in the Territory (the "Territory Rights"), then Company shall pay BR Florida the greater of: a) \$3,000,000.00; and b) fifty percent (50%) of the gross price paid to Company for such rights to operate in the Territory (the "Territory Purchase Fee"). Upon payment of the Territory Purchase Fee, this Agreement shall be terminable by Company and/or purchaser of the Territory Rights immediately upon written notice to BR Florida. Any amounts due as a result of a Territory Rights sale shall become payable within thirty (30) days after the later of: a) final consummation of the Territory Rights sale agreement; b) Company's receipt of all payments due under the Territory Rights sale agreement; and c) and purchase funds paid pursuant

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to such Territory Rights sale agreement clearing Company's accounts and being available for withdrawal.

b. If the entire Burgerim Franchise System nationwide is sold ("Company Buyout Agreement"), the following shall apply:

i. If the gross price paid for the Company Buyout Agreement is any amount up to and including Five Hundred Million (\$500,000,000), then Company shall pay BR Florida an amount equal to \$60,000 multiplied by the number of Burgerim franchises operating and open for business within the Territory on the effective date of such Company Buyout Agreement.

ii. If the gross price paid for the Company Buyout Agreement is greater than \$500,000,000, then BR Florida shall receive \$100,000 multiplied by the number of Burgerim franchises operating and open for business within the Territory on the effective date of the Company Buyout Agreement, but no less than \$5,000,000.

iii. Any amounts due to BR Florida as a result of a Company Buyout Agreement shall become payable within thirty (30) days after the later of: a) final consummation of the Company Buyout Agreement; b) Company's receipt of all payments due under the Company Buyout Agreement; and c) and purchase funds paid pursuant to such Company Buyout Agreement clearing Company's accounts and being available for withdrawal.

c. If any amounts paid to Company pursuant to a Company Buyout Agreement or Territory Rights agreement is refunded to the purchaser in such agreement, then the same proportional amount of such refund as compared to the gross price paid to Company shall be refunded by BR Florida to Company within thirty (30) days of request therefor.

## 8. BR Florida Buyout

a. If all of the shares of BR Florida are purchased outright or if substantially all of BR Florida's assets/operations are purchased by any other entity (a "BR Florida Buyout Agreement"), within thirty (30) days after: a) final consummation of the BR Florida Buyout Agreement; b) BR Florida's receipt of all payments due under the BR Florida Buyout Agreement; and c) and such purchase funds clearing BR Florida's accounts and available for withdrawal, BR Florida shall cause BR Florida to pay Company fifty percent (50%) of the gross purchase price paid under the BR Florida Buyout Agreement (the "Gross BR Florida Buyout Price") by the purchasing entity.

b. Any BR Florida Buyout Agreement shall be subject to the written approval of Company, which approval shall not be unreasonably withheld.

c. Under no circumstances shall BR Florida agree to any BR Florida Buyout Agreement, wherein the Gross BR Florida Buyout Price is less than Fifteen Million Dollars (\$15,000,000), nor shall Company be required to approve any such proposed sale.



9. **Termination.**

a. Company may terminate this Agreement on thirty (30) days' written notice as a result of any of the following ("Defaults"):

i. If the entire Agreement Premium is not paid by the Agreement Premium Due Date, which failure to pay is not cured within thirty (30) days after written notice from Company.

ii. BR Florida's material breach of any obligation, promise, representation or warranty of this Agreement only after providing BR Florida with written notification of such breach and providing BR Florida with thirty (30) days to cure such breach, or, if such breach is not curable within thirty (30) days, to commence curing such breach within thirty (30) days and diligently prosecute such cure to completion;

iii. Mark Bastorous fails to continue as a full-time employee of BR Florida;

iv. BR Florida's violation of any Laws;

v. BR Florida's commencing a voluntary case under title 11 of the United States Code or the corresponding provisions of any successor laws;

vi. anyone commences an involuntary case against BR Florida under title 11 of the United States Code or the corresponding provisions of any successor laws and either (A) the case is not dismissed by midnight at the end of the 60th day after commencement or (B) the court before which the case is pending issues an order for relief or similar order approving the case;

vii. a court of competent jurisdiction appoints, or BR Florida makes an assignment of all or substantially all of its assets to, a custodian (as that term is defined in title 11 of the United States Code or the corresponding provisions of any successor laws) for the Company or all or substantially all of its assets; or

viii. BR Florida fails generally to pay its debts as they become due (unless those debts are subject to a good-faith dispute as to liability or amount) or acknowledges in writing that it is unable to do so.

b. BR Florida may terminate this Agreement on thirty (30) days' written notice as a result of any of the following ("Defaults"):

i. Nonpayment of any of the Obligations Company is to pay as outlined in this Agreement.

10. **Indemnity; Insurance.**



a. BR Florida hereby agrees to indemnify, defend and hold Company and Company's agents, employees, contractors, directors, officers, successors, assigns, and/or shareholders ("Company Parties") harmless from any and all claims, charges, debts, demands and lawsuits arising out of or related to : 1) BR Florida's or BR Florida's material breach of any representation, warranty, promise, or provision of this Agreement; 2) negligence, fraud or willful misconduct of BR Florida and/or its employees, directors, officers, contractors, or agents in performing this Agreement

b. BR Florida agrees to maintain sufficient and prudent insurance for the performance of its duties under this Agreement.

c. Company's sole duties of indemnification under this Agreement shall be as follows: Company shall indemnify, defend and hold BR Florida and BR Florida's agents, employees, contractors, directors, officers, successors, assigns, and/or shareholders ("BR Florida Parties") harmless from any and all claims, charges, debts, demands and lawsuits arising out of or related to Company's gross negligence or material breach of this Agreement.

d. Notwithstanding any of the terms above, BR Florida agrees and understands that Company shall not be required to indemnify BR Florida for any non-gross negligence of Company and/or its contractors, employees, or agents.

11. **Nature of Relationship.** Nothing in this Agreement is intended to place the parties in the relationship of employer-employee, partners, joint ventures, or in anything other than an independent contractor relationship. It is the parties' intention that so far as shall be in conformity with applicable law, BR Florida and its personnel shall be independent contractors and not Company's employees, and in conformity therewith, that BR Florida shall retain sole and absolute discretion and judgment in the manner and means of carrying out BR Florida's Services hereunder, including supplying all tools and materials required to perform the Services, except as provided herein. BR Florida is under the control of Company solely as to the results of BR Florida's Services only, and not as to the means by which such results are accomplished.

12. **Miscellaneous.**

a. **Liability.** No personal liability shall accrue hereunder against any individual, partner, officer, director, shareholder, representative, employee, trustee, fiduciary or principal (disclosed or undisclosed) of the Company. The Company acknowledges and agrees that this Agreement is binding on the parties' successors, heirs and assigns.

b. **Cooperation.** The parties agree to cooperate with each other in every way in the performance of this Agreement.

c. **Limited Agency.** BR Florida shall only be an authorized agent so far as is necessary to perform its duties under this Agreement. Other than as provided herein, BR Florida shall not be authorized to act as Company's agent or bind Company in any way, whether by written or oral agreement, promise, or warranty.



d. Third Party Relationships. Nothing contained in this Agreement shall create a contractual relationship with, an obligation to, or cause of action in favor of any third party against either party, except to the extent provided by applicable law or as provided in this Agreement.

e. Construction of Terms. The language in this Agreement shall be construed according to its customary meaning within the food services franchise industry in Los Angeles, California. Whenever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

f. Captions and Titles. Captions and titles of the different paragraphs and sections of the Agreement are solely for the purpose of aiding and assisting in the location of different material in this Agreement and are not to be considered under any circumstances as parts, provisions or interpretations of this Agreement.

g. No Waiver. The failure of any party to insist upon the strict performance of any provisions of this Agreement, or the failure of any party to exercise any right, option or remedy hereby reserved, shall not be construed as a waiver in the future of any such provision, right, option or remedy, or as a waiver of a subsequent breach thereof. The consent or approval by the Company of any act by the BR Florida requiring the Company's consent or approval shall not be construed to waive or render unnecessary the requirement for the Company's consent or approval of any subsequent similar act by the BR Florida.

h. Severability. If any provision of the Agreement is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of this Agreement and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of this Agreement shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

i. Integration; Entire Agreement. This Agreement, including all documents attached hereto and/or incorporated herein, constitutes the entire agreement and understanding of the parties and supersedes all prior written or oral agreements or understandings with respect to the subject matter hereof. Neither party is relying on any promises, warranties or representations in entering into this Agreement. This Agreement may be modified only by an instrument signed by both parties.

j. Remedies Cumulative. The remedies provided in this Agreement shall be in addition to, and not in substitution of, the rights and remedies which would otherwise be vested in either party hereto, under law or at equity, all of which rights and remedies are specifically reserved by each party; any failure to exercise any remedy provided for in this Agreement shall not preclude the resort to any such remedy for future breaches by the other party, nor shall the use of any special remedy hereby provided prevent the subsequent or concurrent resort to any other remedy which by law or equity would be vested in either party for the recovery of damages or otherwise in the event of a breach of any of the provisions of this Agreement to be performed by the other party.



k. Duty Same as Covenant. Whenever in this Agreement any words of obligation or duty regarding any party are used, they shall have the same force and effect as those in the form of express covenants.

l. Representation by Counsel. The Parties further acknowledge and represent that they had an opportunity to seek the advice of counsel relating to the terms of this Agreement, and that each party and their counsel have fully participated in the drafting and negotiation of this Agreement, such that it shall be construed without regard to any presumption or rule requiring interpretation against the drafting party.

m. Assignment. BR Florida may not assign this Agreement without the prior written approval of the Company, which approval shall be within the sole discretion of Company. Any assignment made in derogation or violation of this Agreement shall be null and void and of no effect whatsoever. Company may assign this agreement in its sole discretion.

n. Attorneys' Fees. In any legal action or proceeding arising out of or related to this Agreement, the prevailing party shall be awarded his/her/its incurred attorneys' fees and costs.

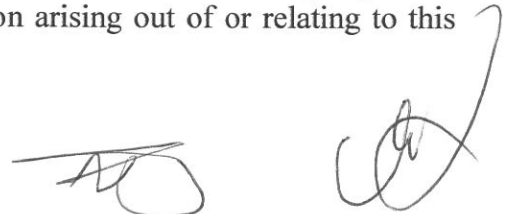
o. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one document.

p. Manner of Execution. Facsimile and/or electronic signatures shall have the same force and effect when affixed hereto as the original signatures.

q. Governing Law; Jurisdiction. Any dispute, claim, cause of action, proceeding, or suit, of any nature whatsoever, arising out of or related to this Agreement shall be subject to and interpreted according to the laws of the State of California. Any such claim or suit may only be brought in the appropriate court of the Los Angeles Superior Court, in the City of Los Angeles, County of Los Angeles in the State of California.

r. Mediation.

i. As a condition precedent to instituting any litigation relating to or arising out of this Agreement (including any statutory claims or claims in tort, contract, or equity), the parties agree to submit their dispute to non-binding mediation. The allegedly non-defaulting party may issue a Demand for Mediation to the allegedly defaulting party. Mediation shall be conducted in City of Los Angeles, California. Mediation shall take place within sixty (60) calendar days of the Demand for Mediation, except as such deadline shall be mutually extended in writing by the parties. The mediator shall be chosen mutually by the parties within 30 days of such Demand for Mediation. If the parties fail to choose a mediator within this time, either of the parties may tender the mediation to ADR Services, Inc. to choose a mediator and administer the mediation. Following such mediation, if the parties are not able to come to an amicable resolution of their dispute, the parties may resort to litigation as necessary or desired. Notwithstanding any other provision herein, any party who attempts to institute litigation arising out of or relating to this

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dispute without first meaningfully and in good faith participating in the mediation process as outlined hereinabove, and/or refuses to participate in the mediation, shall waive the right to seek any of that party's attorneys' fees and costs as provided herein in any subsequent litigation. The non-prevailing party shall pay the prevailing party's attorneys' fees and costs with regard to any motion brought by either party to compel participation in the mandatory mediation described in this Section.

ii. The following actions shall be exempt from the above mediation requirement: 1) any action for injunctive relief or specific performance; 2) any action within the jurisdiction of a federal bankruptcy court; any action within the jurisdiction of a small claims court.

s. Notices. All notices pertaining to this Agreement shall be in writing and shall be sent certified mail, return receipt requested, to the address of the parties as set forth herein, with a copy to the email address denoted herein, or to any other addresses as the addressee may hereafter designate in writing. Copies of all notices to the parties shall be sent as follows:

To Company:

Oren Loni  
Burgerim Group USA, Inc.  
16861 Ventura Blvd., Suite 303  
Encino, California 91436

To BR Florida:

Burgerim Florida, LLC  
Mark Bastorous  
3115 Palisades Drive  
Corona, California 92880

With a copy to:

Davidovich Kaufman Legal Group, APA  
c/o Niv V. Davidovich, Esq.  
6442 Coldwater Canyon Ave. #211  
North Hollywood, CA 91606

With a copy to:

Bishay Law Offices  
Marian Bishay, Esq.  
333 City Boulevard West, 17<sup>th</sup> Floor  
Orange, CA 92868

IN WITNESS WHEREOF, the parties hereto hereby execute this Agreement on the date first above written.

**"Company"**

BURGERIM GROUP USA, INC.,  
a California Corporation

By: \_\_\_\_\_

Oren Loni  
President

**"BR Florida"**

BURGERIM FLORIDA, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Mark Bastorous, Managing Member