FRANCHISE DISCLOSURE DOCUMENT

MK(Squared)N LLC
a California Limited Liability Company
2575 W Pico Blvd
Los Angeles, CA 90006
Telephone (818) 741-0464
Email dinoscandb@yahoo com

The franchisee will operate a quick service restaurant with dine-in and take-out services under the name *Dino's Chicken and Burgers Est 1968®*

The total investment necessary to begin operations ranges from $371,500 to $564,000 This includes $33,000 that must be paid to the franchisor or affiliate

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English Read this disclosure document and all accompanying agreements carefully You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale **Note, however, that no governmental 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 Nicole D Pitsos at 2575 W Pico Blvd , Los Angeles, California 90006, telephone (818) 741-0464

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

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

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

Issuance Date April 24, 2017

STATE COVER PAGE
MK(Squared)N LLC

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

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

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

Please consider the following RISK FACTORS before you buy this franchise

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

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

3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date See the next page for state effective dates

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

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

California ______________

TABLE OF CONTENTS

ITEM	PAGE
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE	2
ITEM 3 LITIGATION	2
ITEM 4 BANKRUPTCY	2
ITEM 5 INITIAL FEES	3
ITEM 6 OTHER FEES	3
ITEM 7 ESTIMATED INITIAL INVESTMENT	5
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	7
ITEM 9 FRANCHISEE'S OBLIGATIONS	9
ITEM 10 FINANCING	11
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	11
ITEM 12 TERRITORY	17
ITEM 13 TRADEMARKS	18
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	19
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	19
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	20
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	20
ITEM 18 PUBLIC FIGURES	24
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	24
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	25

ITEM 21 FINANCIAL STATEMENTS 27

ITEM 22 CONTRACTS 28

ITEM 23 RECEIPT 28

Exhibits

A Franchise Agreement

B State Addenda

C List of State Franchise Administrators and Agents for Service of Process

D List of Franchisees

E Financial Statements

F Brand Standards Manual Table of Contents

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT THESE ADDITIONAL DISCLOSURES OR AMENDMENTS, IF ANY, APPEAR IN THE STATE ADDENDA AT **EXHIBIT B**

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "Dino's", "Dino's Chicken & Burgers",, "we" or "us" means the franchisor – MK(Squared)N LLC, a California Limited Liability Company "You" means the person who buys the franchise If the franchisee is a corporation, partnership, limited liability company or other entity, "you" may also refer to its owners Dino's is a California Limited Liability Company that was formed on October 17, 2007 Our principal business address is 2575 W Pico Blvd , Los Angeles, CA 90006, telephone (818) 741-0464 We do not have any parents, affiliates or predecessors that are required to be disclosed in this Item

Our agents for service of process are disclosed in Exhibit C

We do not operate a restaurant ourselves, but a trust owned by other members of the Pantazis family, The Pantazis Family Trust dated November 6, 2012 (the "Family Trust"), has operated a Dino's restaurant in Los Angeles, California since 1968, in Azusa, California since 2006 and in Pico Rivera, California since 2012 Although we do not currently have plans to do so, we reserve the right to open one or more additional company-owned restaurants in the future The Family Trust also owns a line of proprietary inventory items including juices, marinades and spices used for the preparation of food in Dino's company-owned and franchised restaurants

We franchise the right to operate, at a single business location, a quick service restaurant with dine-in and take-out services under the name Dino's Chicken and Burgers We began offering franchises in 2010 but did not offer franchises between 2011 and 2016 The Family Trust has never offered franchises Neither we nor the Family Trust has offered franchises in any other line of business

The general market for the goods and services offered by a Dino's restaurant is well developed and competitive Your competitors include other quick service, casual dining and sit-down restaurants

In addition to laws and regulations that apply to businesses generally, you may be subject to regulations relating to the operation of an eating and drinking establishment in your state, city or county, including those governing construction, site location and the sale of food and alcoholic beverages, as well as public health and safety codes and ordinances These include regulations concerning smoking, sanitation, discrimination, employment and sexual harassment laws as well as the Americans with Disabilities Act, which requires readily accessible accommodations for disabled individuals and may affect your operations You should consult with your own advisors and the government agencies in your state for information on how these laws apply to you

ITEM 2

BUSINESS EXPERIENCE

Managing Member Nicole Demetriou Pitsos

Ms Pitsos has served as a Managing Member of Dino's since its initial organization on October 17, 2007 She has also been Director of Development for the Family Trust since February 2006

Managing Member Maria Pantazis-Defterios

Ms Pantazis-Defterios has served as a Managing Member of Dino's since its initial organization on October 17, 2007, and she has also been the General Manager of Dino's Burgers in Los Angeles, California since October 2003

Managing Member Konstantina Demetriou Pantazis-Andrews

Ms Pantazis-Andrews has served as a Managing Member of Dino's since its initial organization on October 17, 2007, and she has also been the Assistant General Manager of Dino's Burgers in Los Angeles, California from 2006 to 2015 and of Dino's Burgers in Pico Rivera from 2016

Managing Member Aikaterinh Athina Demetriou Pantazis

Ms Pantazis has served as a Managing Member of Dino's since its initial organization on October 17, 2007, and she has been the Assistant Restaurant Manager of Dino's Burgers in Los Angeles since November 2006

ITEM 3

LITIGATION

No litigation is required to be disclosed in Item 3

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in Item

ITEM 5

INITIAL FEES

Franchisees pay a $30,000 initial franchise fee in a lump sum when they sign the Franchise Agreement for their first Dino's Chicken and Burgers franchise If Dino's determines that a franchisee does not qualify to operate a Dino's Chicken and Burgers restaurant after completing training, Dino's will ref und the initial franchise fee less 20% to cover its expenses for providing training and other assistance The initial franchise fee is otherwise not refundable The initial franchise fee is uniform

You must also pay the Family Trust for an initial 90-day inventory of Dino's proprietary products including juices, marinades and spices when you sign the Franchise Agreement We anticipate this cost will be $3,000

ITEM 6

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	$600 - $2,500	Monthly	See Note 1
Advertising Fees	$150 plus 1%	Monthly	See Note 2
Additional Training Fee	$200 per day	Upon demand	See Note 3
Transfer Fee	20% of the amount received by you from the transferee	$2500 (non-refundable) upon application to transfer and the balance at the closing of the transfer	See Note 4
Dishonored Payment Fee	$100 per dishonored payment	Upon demand	See Note 5
Late Fee	2% per month	When payment or report is overdue	See Note 6
Audit Fees	Cost of the audit	Upon finding of underpayment or underreporting	See Note 7
Renewal Fee	10% of then-current initial franchise fee	Upon franchisee's notice of desire to renew (non-refundable)	See Note 8
Indemnification	Payment of our losses and costs	Upon demand	See Note 9
Attorney s Fees	Attorney s fees and costs	Upon determination of prevailing party	See Note 10

All fees are imposed by and are payable to Dino s unless otherwise noted We may vary the frequency and method of payment We may require you to pay fees via electronic withdrawal from your bank account All fees are uniformly imposed and are non-refundable unless otherwise noted

Notes

1 The Royalty Fee is a flat fee of $600 per month in years 1 and 2 $800 per month in years 3 and 4, $1,200 per month in years 5 and 6 $1,800 per month in years 7 and 8 and $2,500 per month in years 9 and 10

2 Contributions to the advertising fund are $150 per month The advertising fund is described in Item 11 In addition to your contributions to the advertising fund, you must spend at least 1% of your gross revenues on local advertising and promotions that we approve of in advance

3 Dino's does not charge a separate fee for providing initial training to the first three persons We may charge a fee to cover our expenses to provide training to additional or replacement personnel We may also charge a fee for additional training we may require you and your personnel to attend in the future

4 The transfer fee is 20% of the proceeds of the transfer The proceeds of transfer are equal to the total amount paid to you by the person who purchases your franchise You must make a nonrefundable payment of $2,500 to Dino's when you request our consent to transfer and the balance of the 20% at the closing of the transfer We may retain the $2,500 even if we do not consent to the proposed transfer There are other conditions to your ability to transfer

5 Dino's may elect to collect monies from you via Electronic Funds Transfer (EFT) In the event of a returned check or insufficient funds within your EFT account in addition to reissuing payment for the amount owed you must pay a fee of $100 per occurrence

6 If you do not pay any amount when due, you must pay a late charge of 2% per month or the maximum rate permitted by law if less

7 If during an audit Dino's determines that you have underpaid or underreported fees due by 2% or more, then you must pay the cost of the audit

8 You must pay us 10% of our then-current initial franchise fee when you provide notice that you wish to renew the term of the franchise You must be in good standing and satisfy other renewal conditions in order to successfully renew the franchise The renewal is non-refundable

9 You must hold harmless, indemnify and defend Dino's and its affiliates partners agents and representatives and pay for any claims and losses to them resulting from or related to the operation of your franchise

10 If there is a dispute between us the prevailing party will be entitled to recover its reasonable attorneys fees and costs If we obtain injunctive relief against you because you breach the Franchise Agreement s provisions concerning use of our trademarks, trade secrets or confidential information, or if you do not comply with your obligations under the Franchise Agreement upon termination or expiration, you must also reimburse us for our attorneys fees and costs

ITEM 7

ESTIMATED INITIAL INVESTMENT

Your Estmated Inıtıal Investment

TYPE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
INITIAL FRANCHISE FEE	$30 000	Lump sum	At sıgnıng of Franchıse Agreement	Dıno s
TRAVEL AND LIVING EXPENSES WHILE TRAINING (Note 1)	$0 - $5,000	As ıncurred	Durıng traınıng	Aırlınes hotels and restaurants
LEASE UTILITY & SECURITY DEPOSITS (Note 2)	$35,000 - $45 000	As ıncurred	As ıncurred	Lessor contractors
DESIGN PACKAGE FEE (Note 3)	$5 000	Lump Sum	At sıgnıng of Franchıse Agreement	Supplıers
LEASEHOLD IMPROVEMENTS (Note 4)	$75,000 - $125 000	As ıncurred	As ıncurred	Supplıers
EQUIPMENT (Note 5)	$50 000 - $85 000	As ıncurred	As ıncurred	Supplıers
BUSINESS LICENSE & PERMIT	$1 500 - $2,000	As ıncurred	As Incurred	Cıty State
SIGNAGE	$5,000 - $12,000	As ıncurred before openıng	As ıncurred	Supplıers
FURNITURE & FIXTURES	$30 000 - $40 000	As ıncurred, before openıng	As ıncurred	Supplıers
OPENING INVENTORY	$40,000 - $70 000	As ıncurred	As ıncurred	Dıno s and supplıers
LEGAL AND PROFESSIONAL FEES (Note 6)	$5,000 - $10 000	As ıncurred	As ıncurred	Supplıers
LABOR	$75,000 - $105,000	As ıncurred	As ıncurred	Employees and staff

TYPE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
ADDITIONAL FUNDS - 3 Months (Note 7)	$20 000 - $30,000	As incurred	As incurred	Suppliers
TOTAL (Note 8)	$371 500 – $564 000			

All figures in Item 7 are estimates only Actual costs will vary for each franchisee depending on a number of factors The amounts payable to Dino s are nonrefundable unless otherwise noted The refundability of other amounts depends upon your agreement with the applicable supplier or other party

Notes

1 This amount varies depending on how far you are from our main training facility in Azusa California

2 You will need approximately 1 600 square feet for your restaurant This amount includes an estimate for a deposit of the first three months' rent and utilities

3 This amount includes architectural plans color palettes interior design consulting and renderings

4 This estimate includes amounts needed for construction remodeling decorating costs and any other leasehold improvements

5 This amount applies to kitchen equipment and office equipment All such equipment must be purchased from suppliers approved by Dino s

6 This figure includes our estimate of the cost for you to consult with independent legal and other professional advisors

7 You may have additional expenses in starting the business Your actual costs will depend on your management skill experience and business acumen your sales volume during the three month period your ability to follow the Dino's system and local market and economic conditions Dino's bases its estimate of these expenses on the Family Trust's experience

8 These figures are estimates and Dino s cannot guarantee that you will not have additional expenses starting the business Your costs will depend on factors such as how much you follow Dino's methods and procedures, your skill, experience and business acumen, local economic conditions the local market, competition, and your customers You should review these figures carefully with a business advisor before making any decision to purchase the franchise

Dino's does not offer direct or indirect financing to franchisees for any of the above items

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The Family Trust also owns a line of proprietary inventory items including juices, marinades and spices used for the preparation of food in Dino's company-owned and franchised restaurants You must purchase these items from the Family Trust or a designated supplier and maintain an adequate inventory for the restaurant at all times

You must purchase an electronic point of sale cash register from our designated supplier All other equipment and services used in the restaurant must meet our specifications and standards, and you must purchase them from suppliers designated by us in our Brand Standards Manual or from suppliers that you select that meet our criteria for suppliers In order to obtain our approval of a supplier, the following conditions must be met

1 You must send us a written request to approve a supplier,

2 The supplier must demonstrate that it can supply an item or service meeting Dino's specifications This may mean providing Dino's with samples and allowing Dino's representatives to inspect its facility,

3 The supplier must demonstrate its financial soundness and the reliability of its product or service,

4 The supplier or provider must maintain the insurance coverage Dino's requires and name both you and Dino's as additional insureds with the right to notice before modification or cancellation of coverage, and

5 If the item will bear Dino's trademark, Dino's may require the supplier to sign a license agreement which may include a royalty payment to Dino's

We generally will notify you of our approval or disapproval of a supplier within 60 days We reserve the right to revoke the approval of a supplier upon notice to you at any time

We operate a website that uses our name and other trademarks and features our products You are not permitted to develop or operate a website relating to the franchised restaurant or use our marks without our written permission

You must obtain our approval of the lease for the location from which you will operate the franchised restaurant We may require you to include certain terms in your lease including a conditional lease assignment to us or our nominee if your Franchise Agreement expires or is terminated The lease must also contain the following terms

(a) your right to assign the lease to Dino's or its nominee without the landlord's consent or a rent increase or penalty,

(b) the landlord's acknowledgement that you may not transfer or sublet without Dino's consent,

(c) the landlord's consent to Dino's signage,

(d) the landlord's agreement to notify Dino's if you default,

(e) no change may be made to the lease without Dino's consent,

(f) if the Franchise Agreement terminates or expires, the landlord's agreement that the lease will transfer to Dino's or its nominee immediately upon notice by Dino's without rent increase or penalty,

(g) the landlord may rely on Dino's notice,

(h) the notice operates as an assignment, but does not include liability for your acts or omissions before the date of assignment,

(i) The landlord may provide to Dino's, upon Dino's request, all reports, information and data about the property,

(j) Dino's may enter the premises and make alterations after the expiration or termination of the Franchise Agreement, and

(k) Dino's is a third party beneficiary of the lease

You must obtain the insurance coverage required by the Franchise Agreement and the Operation Manual from a carrier with a Best's rating of at least A- The required coverage currently includes worker's compensation insurance, including employer's liability, with limits as required by law, business interruption coverage and comprehensive general liability insurance, in the minimum amounts of $1,000,000 per occurrence and $2,000,000 in the aggregate, including premises liability, professional liability products and completed operations, personal and advertising liability and such other limits and coverage as Dino's may periodically require The required coverage is subject to change

Dino's has negotiated purchase arrangements with certain suppliers for the benefit of franchisees As of the issuance date of this disclosure document, Dino's does not receive any payments or other benefits from suppliers on account of purchases or leases by franchisees, but it may do so in the future Dino's does not provide material benefits to franchisees based on their use of designated or approved suppliers

Dino's estimates that the required purchases and leases described in this item will constitute approximately 65% to 75% of all purchases and leases that will be incurred to establish the restaurant, and approximately 40% to 45% of all purchases and leases that will be incurred to operate the restaurant

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Agreement	Disclosure Document Item
a	Site selection and acquisition/lease	Sections 3(a) and (b)	Items 8 and 11
b	Pre-opening purchases/leases	Sections 3(e), 8(d) and 10	Items 5 7 and 8
c	Site development and other pre-opening requirements	Sections 3(c) (d) (e), (f) and (g)	Items 7 and 11
d	Initial and ongoing training	Section 7(a)	Item 11
e	Opening	Section 3(g)	Item 11
f	Fees	Sections 5(d), 6 7(a)(iii) 8(b) (c) 10 and 29	Items 5 and 6
g	Compliance with standards and policies	Sections 3(c) (d) (e) (f), 8(b) 9 10 and 11	Item 11
h	Trademarks and proprietary information	Sections 1, 9(b), 12 and 17(b)	Items 13 and 14
i	Restrictions on products/services offered	Sections 9(a) and (c)	Item 16
j	Warranty and customer service requirements	Sections 9(c)(i), (d) and (f)	Item 11
k	Territorial development and sales quotas	Sections 2(b), 9(h) and Exhibit A	Item 12
l	Ongoing product/service purchases	Section 9(a)	Item 8
m	Maintenance appearance and remodeling requirements	Sections 9(d) and (e)	Item 11
n	Insurance	Section 10	Item 8
o	Advertising	Section 8	Item 6 and 11
p	Indemnification	Section 11	Item 6

	Obligation	Section in Agreement	Disclosure Document Item
q	Owner s participation/ management/staffing	Sections 9(c) and (f)	Item 15
r	Records/reports	Sections 9(h) and (k)	Item 6
s	Inspections/audits	Section 9(j)	Item 6
t	Transfer	Section 14	Item 17
u	Renewal	Section 5	Item 17
v	Post-termination obligations	Section 17	Item 17
w	Non-competition covenants	Section 13	Item 17
x	Dispute resolution	Section 25	Item 17
y	Other Spousal Consent and Guaranty and Assumption of Franchisee s Obligations	Exhibits B and D of the Agreement	Item 22

ITEM 10

FINANCING

Dino's does not offer financing to you, either directly or indirectly Dino's does not guarantee your note, lease or other obligation

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, Dino's Chicken and Burgers is not required to provide you with any assistance

Before you begin to operate your Dino's Chicken and Burgers business, Dino's will provide

(1) Evaluation of the location you propose for your Dino's Chicken and Burgers business You select the location for your business subject to Dino's consent in writing You must obtain this consent before signing a lease or contract for the site Dino's does not own the site and lease it to you In general, the factors which Dino's may consider are set forth in the Brand Standards Manual, but include the general location and neighborhood of the business, demographics, traffic patterns, parking, size, proximity of complementary businesses, physical characteristics of the location and lease terms (See Franchise Agreement, Section 3(a))

Dino's must approve or disapprove your proposed location within 30 days after receiving the request for approval If you and Dino's cannot agree on a proposed site, then you must find another site and request Dino's approval You must obtain Dino's approval of a location within 90 days after signing the Franchise Agreement If you do not do so, your Franchise Agreement may be terminated Your lease must contain the provisions described in Item 8

(2) Assistance with purchase or lease of any merchandise, equipment, inventory and supplies from the Family Trust or designated or approved suppliers, including providing you with written specifications for these items (See Item 8 and Franchise Agreement, Section 9(a))

(3) Assistance with, and approval of, opening the business (See Franchise Agreement, Section 3(g))

(4) Assistance with a grand opening marketing campaign to be conducted at your expense (See Franchise Agreement, Section 8(d))

(5) Instruction and training in operating your business and Dino's procedures through manuals, classroom training and classes (See Franchise Agreement, Section 7(a)) Before you open the restaurant, you and your managers must successfully complete our initial training program It lasts approximately four weeks You will receive no compensation or reimbursement for services or expenses for participation in training Dino's will not charge you to train up to three of your personnel, which may include you, but we may charge you a fee to train more than three persons You will be responsible for all of your and your employees' expenses to attend the training program, including any lodging, transportation and food

Following is an outline of the training program

TRAINING PROGRAM			
SUBJECT	**HOURS OF CLASSROOM TRAINING**	**HOURS OF ON THE JOB TRAINING**	**LOCATION**
Introduction and Franchise Overview	0	30	Azusa, California
Front of House Training	0	30	Azusa, California
Back of House Training	0	30	Azusa, California
Reporting Purchasing Receiving, Marketing, Customer Service Management	0	30	Azusa California
TOTAL	**0**	**120**	

Training is held at our training facility in Azusa, California It is designed to cater to the individual needs and experience of prospective franchisees Training programs are held when necessary to train new franchisees and may include other franchisees

Instructional materials provided include the Brand Standards Manual (which is 387 pages), the Specifications Booklet, National Restaurant Association HACCP Training Guide, POS software training materials, recipe guides and other operational materials

Nicole Pitsos and Katerina Pantazis lead our training program Each has more than 5 years' experience in the field and with Dino's

You must attend and complete initial training to our satisfaction within 60 days after signing the Franchise Agreement In addition to the initial training described above, Dino's may require you and your personnel to attend the training again before renewing the Franchise Agreement Dino's may also require you and your personnel to attend additional training periodically for which Dino's may charge a fee

Dino's anticipates that franchisees will open their restaurants 90 to 180 days after they sign the Franchise Agreement and pay the initial franchise fee The factors that affect this time are locating a satisfactory site, obtaining a lease, construction of improvements to the site, financing, obtaining building permits, zoning and local ordinances, weather conditions, shortages and any delays in installation of equipment, fixtures and signs

During the operation of your business, Dino's Chicken and Burgers will

(1) Assist you in developing products or services to be offered as part of the franchised business (See Franchise Agreement, Section 9(a)(iii))

(2) Assist you in resolving any operating problems you may have (See Franchise Agreement, Section 7(c))

(3) Assist you in establishing and using administrative, bookkeeping, accounting or inventory control procedures (See Franchise Agreement, Section 7(c))

(4) Provide additional training in the Dino's Chicken and Burgers program if requested or we determine it to be necessary (see Franchise Agreement, Section 7(a)(iv))

<u>Computer System</u>

We require you to purchase or lease an electronic Point of Sale (POS) cash register system to perform certain functions, some of which are to process and track (a) purchases, (b) daily revenues, and (d) product sales The cost to buy or lease the electronic cash register system can range from $8,000 to $12,000 We will have independent access to this information and we will be able to download it on a daily basis There is no contractual limit on our right to do so You must have high-speed access to the Internet

We do not have a contractual obligation to provide ongoing maintenance, repairs, upgrades or updates for your electronic cash register, computer hardware or software We expect maintenance and repair service costs to be approximately $150 per month and may be included in the price of the POS product

Advertising Program

Dino's has established and will administer an advertising fund to which you must contribute monthly Dino's may elect to disseminate advertising through television, radio and print media such as magazine, billboards, flyers or mailers and newspapers The media coverage will initially be regional in scope in the areas in which restaurants are located but, at our discretion, the scope may be expanded Dino's may use the advertising fund to employ an outside consultant or advertising agency to assist in the development, production and dissemination of advertising materials We may also use the advertising fund to develop promotional and advertising materials for your use In addition, we may provide sales training or printed material to assist you in selling products and merchandise

You must spend a designated percentage of your revenues every month on local advertising that we have approved

You are not required but may elect to participate in any cooperative advertising funds (consisting of franchisees from a designated region) that may be established in the future

We will prepare periodic financial reports on the advertising fund and they will be available to you upon request Any amounts in the advertising fund not spent during one year will carry over to the next year No expenditures will be made from the advertising fund to solicit new franchise sales

You may use your own advertising materials only after they have been approved by us in writing Only Dino's may operate a website that uses its name and other trademarks or features its products Dino's reserves the right to conduct all commerce over the Internet and other means of electronic communication as may in the future be developed You may not develop or operate a website relating to the restaurant or using our marks without our permission We may require you to operate a website that meets our specifications and which may be linked to our website

We require franchisees to contribute to the advertising fund at the same rate, although there may be exceptions in some circumstances We may also contribute to the fund Outside vendors and/or suppliers may contribute to the advertising fund in the form of vendor rebates

We may develop discount programs or coupon or gift certificate programs in the future If we do so, you must participate

ITEM 12

TERRITORY

You receive the right to operate a restaurant at a location approved by us within a protected area Your protected area will have a radius of approximately two and a half (2 5) miles around the restaurant The size of the protected area will depend on the population density, demographics, traffic patterns and the proximity of the restaurant to other Dino's Chicken and Burgers restaurants

We will not operate Dino's Chicken and Burgers restaurants in your protected area and we will not license third parties to do so except that we reserve the right to do in locations such as airports, hotels, convention centers, sports arenas and stadiums, college campuses, amusement parks, or other similar non-conventional forums

You may not relocate your restaurant or establish additional restaurants without our written approval In general, the factors that we may consider in deciding whether to approve your request to relocate are demographic changes with respect to location of the restaurant and the performance of the restaurant You do not receive any options, rights of first refusal or similar rights to acquire additional franchises

Except as described above, 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 Your rights to the protected area are not dependent on achieving certain sales volume

Dino's reserves all rights that it does not grant to you For example, Dino's reserves all rights to the use of its name, to open one or more company-owned restaurants, to solicit or accept orders from consumers inside your territory without compensation to you for doing so, to promote Dino's Chicken and Burgers restaurants and to sell Dino's Chicken and Burgers products and other products using other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing, except for any limited use for which Dino's Chicken and Burgers may give you written permission Dino's does not have to pay you if it solicits or accepts orders from inside your protected area

You have the right to serve customers from outside of your protected area but you do not have the right to use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing to make or solicit sales from outside of your protected area

As of the issuance date of this disclosure document, we do not intend to establish other franchises or company owned outlets to sell similar products or services under a different trademark, but we reserve the right to do so

ITEM 13

TRADEMARKS

We will grant you the right to conduct business operating a restaurant under the name *Dino's Chicken and Burgers Est 1968*, a design logo using the same words as seen on the cover page to this disclosure document, and related trademarks You must also use other trademarks which we develop or prescribe to identify your business and its services and products By trademark, we mean trade names, trademarks, service marks and logos used to identify your business, its services and its products

You must follow our rules when you use these trademarks You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except for those which Dino's licenses to you You may not use Dino's trademarks in the sale of an unauthorized product or service or in a manner not authorized by us in writing

Dino's received the right to use these trademarks and to license their use to you under an agreement with the Family Trust Unless terminated, the agreement continues indefinitely, and the agreement may not be modified without both parties' consent If the agreement is terminated for any reason, it provides that the Family Trust will continue to honor the rights we grant to you No other agreements limit Dino's right to use or license the use of the trademarks

We have a federal registration for our principal trademark on the principal register of the U S Patent and Trademark Office ("USPTO"), the details of which are set forth below

Registration Number	Description of Mark	Registration Date
3519735	DINO S CHICKEN AND BURGERS EST 1968 Logo (Class 43)	October 21 2008

There is no currently pending infringement, or cancellation or any pending material litigation involving the principal trademarks All required affidavits have been filed

You must notify us immediately when you learn about an infringement of or challenge to your use of our trademarks The Franchise Agreement requires us to protect you against claims of infringement if you are using the trademarks as required by the Franchise Agreement and if you are in good standing You must assist us in protecting any of our rights, at our expense

If you learn about a third party's use of our trademarks that you believe to be unauthorized, you must notify us immediately We will decide whether or not to take action against the third party, and you must assist us, at our expense, if we decide to do so We have the right to control any administrative proceeding or litigation involving our trademarks If we decide to add a new trademark, or modify or discontinue the use of any trademark, you must use the new trademark or change or discontinue the use of the trademark, all at your expense We do not know of any infringing uses that could materially affect your use of our trademarks

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The franchised business does not involve patents and Dino's owns no patents

Dino's claims a copyright in the Brand Standards Manual although it has not filed for copyright registration

You must notify Dino's immediately when you learn about a challenge to your use of our copyrighted materials Dino's will defend you against claims of infringement if you are using the copyrighted material as required by the Franchise Agreement and if you are in good standing You must assist Dino's in protecting any of its rights, at Dino's expense

If you learn about a third party's use of these copyrighted materials which you believe to be unauthorized, you must notify Dino's immediately Dino's will decide whether or not to take action against the third party, and you must assist Dino's, at Dino's expense, if we decide to do so We have the right to control any litigation involving its copyrighted materials If Dino's decides to add, modify or discontinue the use of anything covered by a copyright, you must also do so at your expense

Dino's does not know of any infringing uses that could materially affect your use of its copyrighted materials You also receive the right to use certain of our trade secrets and confidential information including Dino's Chicken and Burgers systems and customer information

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require or recommend that you participate personally in the direct operation of the restaurant However, an owner or manager must conduct on-premises supervision of the restaurant and if you choose to hire an on-premises manager, we must approve the person whom you hire, and he or she must complete initial training to our satisfaction

The on-premises manager, and any other persons that we designate who are affiliated or employed by you, must sign a confidentiality and non-competition agreement in a form we approve The on-premises manager need not own an equity interest in the franchised business

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Dino's requires that you offer and sell only those goods and services that Dino's has approved

You must offer all goods and services that Dino's designates as required in the Brand Standards Manual unless we otherwise agree in writing It is important that the Dino's Chicken and Burgers program be consistent and incorporates the same elements wherever it is offered This benefits all of our franchisees For example, if we develop a discount or other incentive program in your area, you must participate in that program

Dino's may add new services or products that you may be required to offer There are no limits on Dino's right to do so

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise or Other Agreement	Summary
a	Length of the franchise term	Section 4	10 years
b	Renewal or extension of the term	Section 5	If you meet certain conditions, you can enter into then-current renewal Franchise Agreement for up to 2 additional terms of 5 years
c	Requirements for franchisee to renew or extend	Section 5	You must sign our then-current form of Franchise Agreement which may contain different terms, successfully complete training, sign a general release, fulfill all your obligations and not have received 3 or more default notices in any 24 month period, reason for termination must not exist Dino s must not have decided to withdraw from your market, you must meet requirements for new franchisees remodel and update your business premises You may be asked to sign an agreement with materially different terms and conditions than your original contract
d	Termination by franchisee	None	Not Applicable

	Provision	Section in Franchise or Other Agreement	Summary
e	Termination by franchisor without cause	None	Not Applicable
f	Termination by franchisor with cause	Section 16	Dino's Chicken and Burgers can terminate only if you default or if the events described in g and h occur
g	"Cause' defined-curable defaults	Section 16(b)	You have 5 days to cure nonpayment and up to 30 days for other types of noncompliance
h	Cause' defined- non-curable defaults	Section 16(a)	Noncurable defaults bankruptcy or insolvency abandonment, your material misrepresentation to Dino's conduct which reflects unfavorably on Dino's or its system noncompliance with law intentional failure to report money collected, repeated failure to comply with franchise agreement requirements seizure by government official or lien holder, eviction by lessor for any reason final judgment of more than $5,000 remains unsatisfied for 30 days undischarged levy of execution on franchise conviction of a felony or other criminal misconduct, danger to public health or safety unauthorized transfer termination of any other agreement with Dino s your unauthorized use of trademarks or trade secrets, you fail to transmit to Dino s any health department report you become a specially designated national or blocked person
i	Franchisee s obligations on termination/non-renewal	Sections 17(a)-(c)	Pay all amounts due to us, discontinue use of trademarks and system de-identify return or destroy all inventory with Dino's trademarks return Brand Standards Manual and other confidential information, assist in smooth transition of business refrain from soliciting customers

	Provision	Section in Franchise or Other Agreement	Summary
			or personnel refrain from making disparaging remarks re-assign to Dino's telephone and facsimile numbers and e-mail addresses cancel fictitious business name statement, and comply with all other requirements in the Brand Standards Manual (also see r below)
j	Assignment of contract by franchisor	Section 14(a)	No restriction on Dino s right to assign
k	Transfer" by franchisee – definition	Section 14(b)(ii)	Includes transfer of Agreement assets of Dino's Chicken and Burgers business or greater than 25% ownership interest in franchisee
l	Franchisor approval of transfer by franchisee	Section 14(b)(i)	You must obtain Dino s consent to all transfers
m	Conditions for franchisor approval of transfer	Section 14(b)(iii)	You must be in good standing the premises must meet Dino's then-current standards, your lessor consents, transferee meets qualifications for new franchisee, the transferee must sign then-current form of Franchise Agreement and guaranty, the transferee must successfully complete Dino's training, you pay transfer fee you sign a general release, transferee's obligations to you are subrogated to obligations to Dino s, you must transfer all of your agreements with Dino s If you want to transfer your franchise to an entity, you must own the entity, sign a personal service agreement with the entity the entity must agree to the Franchise Agreement (you remain responsible as well) and the franchise business must be the sole business of the entity
n	Franchisor s right of first refusal to acquire	Section 14(c)	Dino s can match any offer for your business

	Provision	Section in Franchise or Other Agreement	Summary
	franchisee's business		
o	Franchisor's option to purchase franchisee s business	Section 17(d)	Dino s has the option of acquiring your assets if the Franchise Agreement expires or terminates
p	Death or disability of franchisee	Section 15	If you or your principal dies, your executor or representative may either satisfy then-current qualifications for franchisees or transfer the franchise to a qualified buyer within 60 days
q	Non-competition covenants during the term of the franchise	Section 13(a)	You may not be involved in any business similar to Dino's Chicken and Burgers
r	Non-competition covenants after the franchise is terminated or expires	Section 13(b)	You may not operate a similar business for 2 years
s	Modification of the agreement	Section 28	No modification without a writing signed by you and Dino's except that Dino's may amend the Brand Standards Manual
t	Integration/ merger clause	Section 27	Only the terms of the Franchise Agreement and any Addendum are binding (subject to state law) Any other promises may not be enforceable Nothing in the Franchise Agreement is intended to disclaim anything contained in this Disclosure Document
u	Dispute resolution by arbitration or mediation	Section 25	Except for certain claims, all disputes must be mediated and if not resolved arbitrated
v	Choice of forum	Section 25	Los Angeles, California
w	Choice of law	Section 24	California law applies subject to the Lanham Act

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote our franchise

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular 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 Nicole D Pitsos at 2575 West Pico Blvd , Los Angeles, California 90006, telephone (818) 741-0464, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Systemwide Outlet Summary
For Years 2014 to 2016

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at Start of the Year	Column 4 Outlets at End of the Year	Column 5 Net Change
Franchised	2014	2	2	0
	2015	2	2	0
	2016	2	2	0

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at Start of the Year	Column 4 Outlets at End of the Year	Column 5 Net Change
*Company-Owned	2014	3	3	0
	2015	3	3	0
	2016	3	3	0
Total Outlets	2014	5	5	0
	2015	5	5	0
	2016	5	5	0

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years 2014 to 2016

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Total	2014	0
	2015	0
	2016	0

Status of Franchised Outlets For Years 2014 to 2016

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 New Outlets	Column 5 Terminations	Column 6 Non Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations Other Reasons	Column 9 Outlets at End of Year
California	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
Total	2016	2	0	0	0	0	0	2

Status of Company-Owned Outlets
For Years 2014 to 2016

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 Year
*California	2014	3	0	0	0	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	0	0	3
*Total	2014	3	0	0	0	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	0	0	3

Projected Openings
As of December 31, 2016

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	3	0
Total	0	3	0

*The Family Trust operates Dino's Chicken and Burgers restaurants at the following locations

2575 W Pico Boulevard Los Angeles, CA 90006 (213) 380-3554	843 W Arrow Highway Azusa, CA 91702 (626) 812-6400	9367 Telegraph Road Pico Rivera, CA 90660 (562) 942-7222

No franchisees have had an outlet terminated, canceled, not renewed or otherwise ceased to do business under the Franchise Agreement during the most recently completed fiscal year If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

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

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit C to this disclosure document are our financial statements dated as of our fiscal years ended December 31, 2016, 2015, and 2014

ITEM 22

CONTRACTS

Attached are copies of the following agreements proposed for use in this state

Exhibit E Franchise Agreement

Exhibit B to the Franchise Agreement Spousal Consent

Exhibit E to the Franchise Agreement Guaranty and Assumption of Franchisee's Obligations

ITEM 23

RECEIPT

Attached to the end of this disclosure document, following the Exhibits, is a receipt Please sign it, date it the date you receive the disclosure document, and return it to us A duplicate of the receipt is attached for your records

EXHIBIT A

FRANCHISE AGREEMENT

(Attached)

DINO'S CHICKEN AND BURGERS

Franchise Agreement

TABLE OF CONTENTS

ITEM		PAGE
1	GRANT OF FRANCHISE	1
2	LOCATION AND PROTECTED TERRITORY	1
3	SITE SELECTION AND OPENING	2
4	TERM OF AGREEMENT	4
5	RENEWAL OF FRANCHISE	5
6	FEES	6
7	DUTIES OF FRANCHISOR	7
8	ADVERTISING	8
9	DUTIES OF FRANCHISEE	9
10	INSURANCE	13
11	INDEMNITY	13
12	MARKS AND TRADE DRESS	14
13	NON-COMPETITION	15
14	ASSIGNMENT AND TRANSFER	16
15	OPERATION IN THE EVENT OF ABSENCE, DISABILITY OR DEATH	18
16	DEFAULT AND TERMINATION	19
17	RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION	21
18	CONDEMNATION AND CASUALTY	22
19	UNAVOIDABLE DELAYS	23
20	INVALID OR UNENFORCEABLE PROVISIONS	23
21	RELATIONSHIP BETWEEN PARTIES	23
22	WAIVER	23
23	NOTICES	24
24	APPLICABLE LAW	24
25	RESOLUTION OF DISPUTES	24
26	TERMINOLOGY	25
27	ENTIRE AGREEMENT	26
28	AMENDMENT OF AGREEMENT	26
29	COSTS AND EXPENSES OF ENFORCEMENT	26
30	CAPTIONS	26

31	FRANCHISEE'S ACKNOWLEDGMENTS	26
32	EFFECTIVE DATE	28

EXHIBITS

Exhibit A	Location of Restaurant, Territory
Exhibit B	Spousal Consent
Exhibit C	Information Regarding Non-Individual Franchisees
Exhibit D	Guaranty and Assumption of Franchisee's Obligations

Dino's Chicken and Burgers

FRANCHISE AGREEMENT

THIS AGREEMENT is entered into by and between MK (Squared) N LLC, a California limited liability company, with its principal business address located at 2575 W Pico Blvd, Los Angeles, California 90006 ("**Franchisor**"), on the one hand, and __________________, with their principal business address located at ____________(collectively, "**Franchisee**"), on the other hand This Agreement is for the establishment of one DINO'S CHICKEN AND BURGERS® restaurant (the "**Restaurant**")

RECITALS

A Franchisor has established a method and system for the development and operation of Restaurants, which includes, without limitation the mark DINO'S CHICKEN AND BURGERS EST 1968® and related names, trademarks, service marks, logos, copyrights, designs, emblems, slogans, commercial symbols and other indicia and associated goodwill now or hereafter designated for use by Franchisor in connection with the System and any and all revisions, modifications and additions thereto, whether or not recorded or registered with the United States Patent and Trademark Office or any other local, state, federal or foreign agency, registrar or body (the "**Marks**"), distinctive building designs, decor, color schemes and trade dress and signage, a manual incorporating required standards, procedures, policies, and techniques, secret food recipes, and advertising, marketing, and promotional programs (the "**System**")

B Franchisor is willing to grant to Franchisee, and Franchisee desires to obtain from Franchisor, the right to establish and operate a Restaurant in accordance with the System and the terms and conditions contained in this Agreement

NOW, THEREFORE, in consideration of these premises and the mutual covenants contained herein, the sufficiency of which is acknowledged by the parties, the parties agree as follows

1 GRANT OF FRANCHISE

Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee a license to use the Marks and the System solely in the operation of the Restaurant at one (1) location within the Territory, as defined below (the "**Franchise**") Franchisee acknowledges that adherence to the standards and policies of the System is essential for the continued operation of the Franchise granted by this Agreement

2 LOCATION AND PROTECTED TERRITORY

(a) <u>Location</u> The location for the Restaurant is set forth in **Exhibit A** attached hereto and incorporated by this reference If the location of the Restaurant has not been determined at the time Franchisee and Franchisor sign this Agreement, then it shall be determined as provided in Section 3 below

(b) <u>Territory</u> Provided that Franchisee is in compliance with this Agreement, Franchisor shall not open and operate, or franchise another party to open and operate, a full-service restaurant utilizing the Marks and the System in the area described in **Exhibit A** and identified therein as the territory (the "**Territory**")

(c) Franchisor's Reservation of Rights Franchisor reserves all rights not specifically granted to Franchisee hereunder In particular, and not in limitation of the foregoing, Franchisor reserves the right to conduct businesses using marks or commercial symbols different from the Marks either within or outside of the Territory Franchisor also reserves the right to use the Marks, and license the right to others to use the Marks, for purposes other than operating a full service restaurant Franchisor also reserves the right to conduct all commerce over the Internet and other means of electronic commerce as may in the future be developed, and Franchisee has no right to do so except as may be specifically permitted hereunder

3 SITE SELECTION AND OPENING

(a) Site Selection Franchisee agrees and acknowledges that Franchisee is responsible for locating, obtaining financing for, securing appropriate zoning and permits for and equipping the site for the Restaurant Franchisee shall provide Franchisor with all relevant information concerning the proposed site including the zoning of the site, demographic information about the surrounding area, locations of any similar or complementary businesses, traffic flow, parking, rent, size, layout and such other information as Franchisor may require Franchisor will approve or disapprove the proposed site within thirty (30) days after it receives notice thereof and all relevant information Franchisee must obtain Franchisor's consent to a site for the Restaurant Business within one hundred twenty (120) days after execution of this Agreement

(b) Lease Franchisee shall not sign a lease or contract for the location without receiving Franchisor's prior written consent Franchisee shall fully perform all obligations to be performed by Franchisee under the lease or contract and shall immediately upon receipt of any notice of violation from the lessor or other party to the contract deliver a copy of such notice to Franchisor together with a statement of the steps proposed to be taken by Franchisee in response to the notice The lease or contract must contain such additional terms and conditions as Franchisor may require to provide for the protection of Franchisor's rights and interests, including but not limited to a conditional lease assignment in a form acceptable to Franchisor, and including the following

(i) the absolute and unconditional right of the Franchisee to assign its interest in the lease to the Franchisor or the Franchisor's nominee at any time without the consent of the landlord and without rent increase or penalty,

(ii) the landlord's acknowledgment that the Franchisee shall not assign or transfer the lease or any of its rights thereunder or grant any sublease thereunder without the prior written consent of the Franchisor,

(iii) the landlord's consent to Franchisee's use of such signage as the Franchisor may require,

(iv) the obligation of the landlord to notify the Franchisor in writing of any default by the Franchisee of any of the terms and conditions of the lease,

(v) that no amendment, addition, or other modification or change be made to the lease without obtaining the prior written consent of the Franchisor,

(vi) that upon expiration or termination for any reason of the Franchise Agreement, Franchisee's rights under the lease shall, at the option of the Franchisor, be transferred and assigned to Franchisor or its nominee without rent increase or penalty immediately upon notice by Franchisor,

(vii) Franchisee's acknowledgment that the landlord may rely upon such notice and shall not be required to inquire into the due execution of such notice or the accuracy of the statements set forth in such notice,

(viii) that such notice shall, without further act or formality, operate as an effective assignment of the Franchisee's rights under the lease to the Franchisor or its nominee without rent increase or penalty, and the assumption by the Franchisor or its nominee of the covenants required to be observed or performed by the Franchisee under the lease, provided, however, that landlord agrees and acknowledges that Franchisor and its nominee, if any, shall not assume, and shall have no obligation to the landlord with respect to, any liabilities arising from or relating to Franchisee's actions, failure to act or defaults prior to the assignment of the lease,

(ix) the Franchisee's acknowledgment that the landlord shall, upon the written request of the Franchisor, disclose to the Franchisor all reports, information or data in the landlord's possession respecting sales made in, upon or from the demised premises,

(x) the landlord's acknowledgment that the Franchise Agreement contains a right on the part of the Franchisor, in the event of expiration or termination of the Franchise Agreement for any reason whatsoever, to enter the premises and to make any alterations in the exterior or interior decor and signage as Franchisor deems necessary to remove its identification with Franchisor as required by the Franchise Agreement and, in the event of the exercise by the Franchisor of such right, the landlord further acknowledges that such re-entry by the Franchisor shall not constitute an assignment of the lease nor a subletting of the demised premises, and

(xi) that the Franchisor shall be a third party beneficiary under the lease

(xii) The Franchisee shall be responsible for all costs associated with the negotiation of the lease All amounts spent by the Franchisor to cure any breach by Franchisee of the lease for the site of the Restaurant shall be due to the Franchisor from Franchisee upon the Franchisor's written demand

(c) Site Development Franchisee shall develop the site and construct or remodel and equip the Restaurant, all in accordance with Franchisor's requirements Franchisee shall be solely responsible for obtaining the architectural plans for the location The architectural plans are subject to Franchisor's prior written approval All signage at the Restaurant site shall conform to Franchisor's specifications Franchisee shall also provide Franchisor with written specifications for the construction, equipment and fixtures of the site in the form of renderings

(d) Construction Standards Franchisee shall be responsible for the establishment and completion of the Restaurant, including construction or remodeling and equipment installation Franchisee agrees that in constructing or remodeling the Restaurant, it shall secure all necessary permits and adhere to the plan, design, color scheme and motif of Dino's Chicken and Burgers restaurants as specified by Franchisor, and any changes to the standard plans and specifications, if necessary to meet the requirements of applicable codes and regulations will be subject to Franchisor's prior review and consent

(e) Fixture and Equipment Standards Franchisee shall lease or purchase all fixtures and equipment designated by Franchisor and shall install, or have installed, in the Restaurant all such fixtures and equipment Franchisee has the right to lease or purchase the fixtures and equipment from any source, provided, however, all fixtures, furnishings, color schemes, machinery, equipment, and accessories shall conform to specifications of design, color, quality, performance, and utility designated and approved by Franchisor

(f) Sign Standards Franchisee shall prominently display and maintain in good appearance and condition on the land and building comprising the Dino's Chicken and Burgers restaurant all signs of such nature, form, color, illumination, and size, and containing such legends and symbols as Franchisor shall require Franchisee shall not display at the Restaurant any signs to which Franchisor objects

(g) Opening Franchisee shall not open the Restaurant until Franchisor has given its approval in writing Franchisor may require that Franchisor or its representative conduct an on-site inspection prior to giving its approval Franchisor shall provide Franchisee with such management assistance as Franchisor deems necessary at the opening and for a short time thereafter

(h) Relocation Franchisee may not relocate the Restaurant, or open additional locations, without Franchisor's prior written consent

FRANCHISEE ACKNOWLEDGES THAT ALTHOUGH FRANCHISOR MAY HAVE BEEN INVOLVED IN THE SITE SELECTION PROCESS AND IN SITE DEVELOPMENT AND MAY HAVE REVIEWED INFORMATION ON THE SITE, THE LEASE, AND OTHER ASPECTS OF THE DEVELOPMENT OF THE RESTAURANT, FRANCHISOR MAKES NO WARRANTY, REPRESENTATION OR GUARANTY OF ANY KIND WITH RESPECT TO THE LOCATION, THE LEASE, OR THE SUCCESS OR PROFITABILITY OF THE BUSINESS TO BE OPERATED AT SUCH LOCATION

4 TERM OF AGREEMENT

This Agreement shall commence on the date it is signed by Franchisor and shall continue for ten (10) years, subject to earlier termination as provided herein The term of the lease or sublease (including options) Franchisee enters into for the location shall be for such period of time If Franchisee is acquiring an existing Restaurant, the term shall be the shorter of (a) the remaining term of the transferor's franchise agreement, or (b) the remaining term of the existing lease (including options) for the Restaurant

5 RENEWAL OF FRANCHISE

Subject to compliance with each and every one of the conditions set forth below, Franchisee has the option to renew the right to operate the Restaurant for one (1) additional, consecutive period of five (5) years

(a) Written Notice Franchisee gives Franchisor written notice of its election to renew not less than twelve (12) months prior to the expiration of the term,

(b) No Default Franchisee, when notice is given and at the time of renewal, is not in default of any material provision of either this Agreement or any other agreement between Franchisee and Franchisor or their affiliates,

(c) No Monetary Obligations Outstanding All monetary obligations owed by Franchisee to Franchisor or its affiliate have been satisfied prior to renewal,

(d) Renewal Fee Franchisee shall pay Franchisor the sum of 10% of the then-current initial franchise fee as a renewal fee,

(e) General Release Franchisee must execute and deliver a general release of Franchisor and its affiliates, officers, directors, shareholders, employees, agents and representatives in a form acceptable to Franchisor,

(f) Lease Franchisee furnishes Franchisor with a copy of a lease for the Restaurant premises indicating that Franchisee has the right to the premises for the renewal term,

(g) Updates The Restaurant must meet Franchisor's then-current requirements or Franchisee must make all expenditures necessary to update the Restaurant to meet those requirements,

(h) Re-Training Franchisee or the Manager, if applicable, shall have successfully completed any retraining or refresher training course Franchisor may require,

(i) Current Agreement Franchisee shall sign Franchisor's then-current form of Franchise Agreement for a five (5) year term Franchisee acknowledges that the then-current form of Franchise Agreement may contain terms that are materially different from those set forth in this Agreement, and

(j) No Repeated Defaults Franchisee shall not have, during the term of this Agreement or the preceding renewal term, received three (3) or more notices of default in any twenty-four (24) month period

Franchisee shall have no right to enter into a new agreement with Franchisor if Franchisee fails to comply with each of the conditions set forth above in a timely manner or if Franchisee fails to return to Franchisor any documents within thirty (30) days after Franchisor has delivered them to Franchisee

6 FEES

(a) Initial Franchise Fee In consideration of the franchise granted herein, Franchisee shall pay to Franchisor an initial franchise fee in the amount of Thirty Thousand Dollars ($30,000) in full upon execution of this Agreement The initial franchise fee is deemed to be fully earned immediately upon payment, and is nonrefundable

(b) Royalty Fee Franchisee shall pay to Franchisor a monthly fee (the "**Royalty Fee**") equal to (i) Six Hundred Dollars ($600) per month, commencing on the date the Restaurant opens for business and for a period of two (2) years thereafter, (ii) Eight Hundred Dollars ($800) per month, commencing in the third year after the Restaurant opens for business and for a period of two (2) years thereafter, (iii) One Thousand Two Hundred Dollars ($1,200) per month, commencing in the fifth year after the Restaurant opens for business and for a period of two (2) years thereafter, (iv) One Thousand Eight Hundred Dollars ($1,800) per month, commencing in the seventh year after the Restaurant opens for business and for a period of two (2) years thereafter, and (v) Two Thousand Five Hundred Dollars ($2,500) per month, commencing in the ninth year after the Restaurant opens for business and for the reminder fo the term of this Agreement For purposes of this Agreement, "**Gross Revenues**" means the entire gross receipts of every kind and nature from all products sold in or from the Restaurant or services performed by Franchisee including, without limitation, gross receipts from take-out orders, catering and special events without reserve or deduction for inability or failure to collect and excluding only the following (i) the amount of any sales tax levied upon retail sales which is payable to the appropriate governmental authorities (and subsequently actually paid to such authorities), and (ii) refunds made in good faith to customers in accordance with Franchisor's policies

(c) Advertising Fee Commencing in the first month the Restaurant opens, Franchisee shall pay to Franchisor an advertising fee equal to One Hundred Fifty Dollars ($150) per month (the "**Advertising Fee**")

(d) Dishonored Payment Fee In addition to any bank fees or penalties Franchisor must pay as a result of Franchisee's returned check or other dishonored form of payment, Franchisee shall pay to Franchisor all other late fees and Two Hundred Fifty Dollars ($250) for each occurrence In such event Franchisor may also require Franchisee to make all future payments by money order, cashier's check or a similar method of payment of immediately available funds

(e) Due Date Franchisee shall pay the Royalty Fee and Advertising Fee on a monthly basis on the first (1^{st}) day of every month Payments shall be made by electronic funds transfer, and Franchisee shall execute and deliver such instruments as are necessary and appropriate to effect such transfers Franchisor shall have the right to vary the frequency of the due date (e g , from monthly to weekly) and the method of payment from time to time The Royalty Fee and Advertising Fee are non-refundable

(f) Nonpayment If Franchisor does not receive Franchisee's Royalty Fee, Advertising Fee or any other payment hereunder by the dates they are due, Franchisee acknowledges that, in addition to exercising all other rights and remedies that Franchisor has, Franchisor may terminate this Agreement

(g) Charge on Late Payments In addition to all other rights and remedies that accrue to Franchisor, late or overdue payments shall bear interest after the due date at the rate of two percent (2%) per month, not to exceed the highest applicable rate allowed by law Franchisee acknowledges that this provision does not constitute agreement by Franchisor to accept such payments after they are due or a commitment to extend credit to, or otherwise finance such amounts

(h) No Withholding of Payment Franchisee agrees that Franchisee will not, on the grounds of the alleged nonperformance by Franchisor of any of its obligations hereunder or for any other reason whatsoever, withhold payment of any amounts due, nor shall Franchisee have any right of offset

(i) Application of Payments, Right of Offset Notwithstanding any designation by Franchisee, Franchisor shall have discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee In addition, Franchisor shall have the right to offset any amounts due to it or its affiliates against any amounts to be paid to Franchisee

7 DUTIES OF FRANCHISOR

(a) Training and Support

(i) Initial Training Within sixty (60) days after the date of this Agreement, Franchisee or, if applicable the Manager, as defined below, shall successfully complete Franchisor's initial training Initial training shall be conducted at a restaurant and at other locations designated by Franchisor and shall include manuals, classroom training and other classes as required and presented by Franchisor Franchisee or the Manager, Franchisee's kitchen manager and back staff managers must each complete initial training before the Restaurant opens for business to the public

(ii) Evaluation Franchisor shall have the right, during the initial training program, to further evaluate Franchisee's fitness to operate under this Agreement In the event Franchisee or the Manager fails to successfully complete the initial training program, Franchisor shall have the right to terminate this Agreement

(iii) Training Fees Franchisee shall not be charged an additional fee for providing initial training to the initial Manager Franchisor may charge a fee to provide initial training to additional Managers

(iv) Additional Training Franchisor may require Franchisee and/or the Manager to attend refresher and additional training courses from time to time and Franchisee acknowledges that there may be a fee charged for such training

(v) Expenses Franchisee shall be responsible for all expenses, if any, that Franchisee and its Manager may incur in connection with initial or refresher training

(b) Brand Standards Manual Franchisor will lend to Franchisee for use during the term of this Agreement a copy of Franchisor's proprietary and confidential brand standards manual which Franchisor may amend from time to time, containing mandatory specifications, standards, operating procedures and rules for the System (the **"Brand Standards Manual"**) All such specifications, standards, operating procedures and rules prescribed from time to time in the Brand Standards Manual, or otherwise communicated to Franchisee in writing, shall constitute requirements of this Agreement and shall be kept confidential by Franchisee Franchisee will not at any time copy any part of these materials, disclose any information contained in them to others or permit others access to them Franchisee acknowledges and agrees that the Brand Standards Manual may be modified from time to time to reflect changes in the System, provided, however, that no such modification shall alter Franchisee's fundamental status and rights under this Agreement All modifications to the Brand Standards Manual shall be binding upon Franchisee upon being mailed or otherwise delivered to Franchisee Franchisee agrees to accept, implement and adopt any such modifications at Franchisee's own cost The Brand Standards Manual will contain proprietary information belonging to Franchisor and Franchisee acknowledges that the Brand Standards Manual is, and shall remain, the property of Franchisor Franchisee shall promptly return the Brand Standards Manual to the Franchisor upon termination or expiration of this Agreement All references herein to the Agreement shall include the provisions of the Brand Standards Manual and all such mandatory specifications, standards, procedures and rules, and such additions and modifications thereto Franchisee understands and agrees that it is of substantial value to Franchisor and other franchisees of Franchisor, as well as to Franchisee, that the System establish and maintain a common identity Franchisee agrees and acknowledges that full compliance with each and every detail of the System and the Brand Standards Manual is essential to preserve, maintain and enhance the reputation, trade demand and goodwill of the System and the Marks and that failure of Franchisee to operate the Restaurant in accordance with the System and the Brand Standards Manual can cause damage to all of the other parties described above, as well as to Franchisee Consistent with the goals of the System, Franchisee shall be responsible for the day-to-day operation of Franchisee's business

8 ADVERTISING

(a) Advertising Fund Franchisor shall have the right to establish an advertising fund (the "**Advertising Fund**") Franchisee agrees and acknowledges that the Advertising Fee may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds and may be deemed an asset of Franchisor Franchisor will administratively segregate the Advertising Fund on its books and records Franchisor will use the Advertising Fund for the purpose of promoting the System as a whole and increasing the goodwill of the Marks Franchisor will conduct such advertising and marketing of the System and its services as Franchisor deems desirable to promote and enhance the reputation of the System, including, without limitation, producing materials for use in connection with such advertising and marketing Franchisee understands, acknowledges and agrees that all decisions regarding advertising and marketing, including without limitation the type, quantity, timing, placement and choice of media, market areas and advertising agencies shall be made by Franchisor and shall be final and binding Franchisee agrees and acknowledges that all costs of the formulation, development and production of any advertising and promotion (including without limitation the proportionate compensation of Franchisor's employees who devote time and render services in connection with such advertising and promotional programs or the administration, accounting and collection of the Advertising Fees) will be paid from the Advertising Fund Franchisor does not have any obligation to make expenditures that are proportionate or equivalent to Franchisee's Advertising Fees in the market area of the Territory, nor does Franchisor represent that Franchisee will benefit directly or pro rata from the placement of advertising

(b) Franchisee Expenditures In addition to the Advertising Fee, Franchisee shall spend at least one percent (1%) of Gross Revenues per month on local advertising, which has been approved by Franchisor as set forth in Section (b) below The purpose of such local advertising shall be to advance the reputation of the System and the Marks and develop awareness among consumers of them On or prior to the tenth (10th) day of each calendar month, Franchisee shall submit to Franchisor receipts evidencing expenditures for approved local advertising during the preceding calendar month Franchisor reserves the right to require Franchisee to establish and operate a website that meets Franchisor's specifications and which may be linked to Franchisor's website

(c) Approval of Advertising All advertising copy and other materials Franchisee proposes to use shall be in strict accordance and conformity with the standards, formats and specimens set forth in the Brand Standards Manual Franchisee shall submit the proposed advertising material to Franchisor in advance of publication and shall use only such advertising copy and materials as have been approved in writing by Franchisor Franchisee agrees and acknowledges that the copyright for any advertising or other materials that Franchisee develops for the Restaurant shall automatically be assigned to Franchisor without any further action by the parties required

(d) Pre-Opening Advertising Franchisee acknowledges and agrees that adequate pre-opening advertising is essential to the success of the Restaurant and agrees to conduct such advertising in connection with the opening of Restaurant in accordance with Franchisor's directions and assistance

(e) Discounts and Coupons From time to time as part of the advertising and promotional activities conducted by the Franchisor, Franchisor may institute discount programs and issue coupons Franchisee agrees to accept such coupons from customers and to redeem them in accordance with the Franchisor's policies then in effect and to participate in such discount programs However, such programs shall in no way affect Franchisee's right to establish its own prices

(f) No Fiduciary Duty Nothing in this Section or anywhere in this Agreement creates a fiduciary relationship between the parties, nor shall anything herein be deemed to create any trust duties between the parties No covenant shall be implied to vary or interpret the terms of this provision Copies of Franchisor's periodic reports of the Fund shall be available to Franchisee upon reasonable request

9 DUTIES OF FRANCHISEE

In addition to its duties as set forth elsewhere in this Agreement, Franchisee agrees to perform the following

(a) Inventory and Supply Specifications To promote uniformity and quality, and to protect the integrity of the Marks, Franchisee agrees to the following restrictions regarding inventory, supplies and products, as follows

(i) Proprietary Products Franchisor's affiliate has developed certain ingredients and products using or incorporating secret recipes or other trade secrets or information (the "**Proprietary Products**") These products consist of marinades, spices and juices, and may include additional items if future products are developed and authorized for use in Restaurants Franchisee agrees to purchase all Proprietary Products only from Franchisor's affiliate, or a supplier designated by Franchisor, and in no event will Franchisee alter or attempt to substitute any other product for any Proprietary Product Franchisee will only use or distribute Proprietary Products in connection with the operation of the Restaurant and any other franchise which Franchisor may grant to Franchisee Franchisor expressly reserves the right to designate suppliers, or itself to be the sole supplier, of Proprietary Products

(ii) Advertising and Materials or Supplies Using the Marks In the dispensing and sale of food products, and in displaying products and merchandise to be sold hereunder, all articles such as containers, cartons, bags, menus, napkins and other paper goods, packaging, point of sale advertising and promotional materials, shall be subject to approval by Franchisor as to quality and design and shall bear trademarks approved by Franchisor

(iii) All Other Products, Inventory or Supplies Franchisor will from time to time establish and publish reasonable specifications for the types of products, inventory and supplies authorized for use in connection with the operation of the Restaurant Franchisee may purchase any or all of its products, inventory and supplies that meet Franchisor's specifications from suppliers approved by Franchisor Franchisor may, in its sole discretion, approve suppliers selected by Franchisee provided the following conditions are first met

(A) Franchisee shall submit a written request to the Franchisor for approval of the supplier,

(B) The supplier shall demonstrate to Franchisor's satisfaction that it is able to supply an item to Franchisee meeting Franchisor's specifications for such item, including but not limited to, providing Franchisor with samples and the opportunity to inspect its facilities from time to time,

(C) The supplier shall demonstrate to Franchisor's satisfaction that the supplier is of good standing in the business community with respect to its financial soundness and the reliability of its product and service,

(D) The supplier shall obtain, maintain and submit to Franchisor proof of, sufficient insurance coverage (including, but not limited to, product liability coverage) at limits and including coverage acceptable to Franchisor, and include Franchisor and Franchisee as additional named insureds with the right to receive at least thirty (30) days' prior written notice of any modification, cancellation or termination of such policy, and

(E) In the event the item to be supplied is required to bear one of the Marks, such supplier must execute a license agreement (which may include a royalty payment) in a form acceptable to Franchisor

Until and unless Franchisor notifies Franchisee in writing that it has approved a supplier, Franchisee must continue to purchase from previously approved suppliers If Franchisor determines that a previously approved supplier no longer conforms to such standards, it shall so notify Franchisee and Franchisee shall thereupon discontinue making purchases from supplier

(b) Confidential Information and Operations Franchisee acknowledges that the information contained in the Brand Standards Manual constitutes confidential and trade secret information Additionally, Franchisor may provide Franchisee with other information which has been designated by Franchisor as "Confidential," "Trade Secret," or "Proprietary Information " Without the prior written consent of Franchisor, Franchisee shall neither disclose the contents of the Brand Standards Manual to any person, except employees of Franchisee for purposes related solely to the operation of the Restaurant, nor reprint or reproduce the Brand Standards Manual, or any other confidential or proprietary information or trade secrets in whole or in part for any purposes Upon request by Franchisor, Franchisee shall obtain agreements from its personnel prohibiting disclosure of any trade secret or proprietary information

(c) Operation of Restaurant

(i) Operation of Restaurant Facility Franchisee shall participate in the operation and management of the Restaurant (personally or through a manager approved by Franchisor who has completed the initial training program to Franchisor's satisfaction (the "**Manager**")) and shall diligently devote Franchisee's best efforts to the operation and management so as to maximize sales and profits, keeping free from conflicting enterprises or any other activities which would be detrimental to or interfere with such operation or management The Restaurant must be directly operated by Franchisee or by the Manager Franchisee shall operate and maintain the Restaurant only at the location designated herein and only in accordance with the business standards, procedures, policies, and techniques comprising the System as specified in the Brand Standards Manual In particular, and not in limitation of the foregoing, Franchisee shall participate in all customer loyalty and similar programs required by Franchisor Franchisee acknowledges and agrees that such participation may involve accepting coupons issued to customers and discounting product prices Franchisee shall conspicuously post at the Restaurant a notice to the effect that the Restaurant is a franchised business operated independently of Franchisor

(ii) Menu Menu items offered for sale at and from the Restaurant are essential components of the System and shall be specified by Franchisor in its sole discretion, from time to time, in its Brand Standards Manual Franchisee shall offer for sale all mandatory menu items and shall not offer for sale menu items which are not so specified by Franchisor as mandatory or optional

(d) Sanitation and Maintenance Standards At its sole expense, Franchisee shall at all times maintain the interior and exterior of the Restaurant premises, including all of the fixtures, signs, and equipment, in a good, clean, attractive, and safe condition and repair

(e) Remodeling/Improvements Franchisor shall establish and publish specifications for the furnishings, fixtures, signage, facility and equipment of the Restaurant Franchisee shall from time to time make such cost effective improvements and alterations to the Restaurant as Franchisor shall require in order for the Restaurant to meet such specifications

(f) Staffing Requirements Franchisee shall maintain an adequate number of neat, clean, competent, and courteous employees at the Restaurant to insure maximum customer satisfaction and consistent service Franchisee shall require all employees to wear uniforms of such color, design, and other specifications as Franchisor may designate from time to time Franchisor may periodically require Franchisee to submit to Franchisor for its approval plans setting forth staffing levels for the Restaurant and describing employee functions

(g) Hours of Operation Subject to any contrary requirements of regulatory authorities or Franchisee's lease, Franchisee shall operate the Restaurant at such minimum hours and on such days as may from time to time be prescribed by Franchisor and shall maintain sufficient supplies of goods and products so as to operate the Restaurant at maximum capacity and efficiency

(h) Sales Records and Weekly Sales Reports Franchisee shall purchase or lease and install a point of sale electronic cash register or computer system (the "**POS system**") which meets or exceeds Franchisor's published specifications Franchisee agrees to execute any and all necessary agreements and pay fees in connection with the installation, maintenance and upgrade of the POS system Franchisee understands and agrees that both technological and operational developments may require Franchisee to upgrade or replace components of, or the entire, POS system during the term of this Agreement or upon its renewal Franchisee will upgrade, replace or expand the POS system in order to assume and discharge all of the POS system related tasks specified, and as modified from time to time, by Franchisor Franchisee agrees and acknowledges that Franchisor will have independent access to the information in the POS system and may access it at any time Franchisee also agrees to deliver monthly reports of Gross Revenues on a form approved or provided by Franchisor, together with the payment of the Royalty Fee and Advertising Fee

(i) Legal Compliance At its sole expense, Franchisee shall comply with all federal, state, and local laws, ordinances and regulations applicable to the ownership and operation of the Restaurant

(j) Right of Inspection Franchisee shall allow the agents and representatives of Franchisor to enter the Restaurant at any time for the purpose of examining and inspecting fixtures, furnishings, signs, equipment, products, supplies, and employees of the Restaurant to determine whether Franchisee is in compliance with this Agreement and the standards and policies of the System In order to monitor the System, Franchisor shall have the right to take reasonable samples of food and ingredients served at the Restaurant, free of charge, conduct quality assurance audits, employ mystery shoppers and conduct customer surveys If Franchisee shall fail to operate the Restaurant in accordance with the System, Franchisor may, at its option, and at Franchisee's expense, and in addition to any other remedies of Franchisor hereunder, place a representative of Franchisor in the Restaurant until Franchisor shall determine in its sole discretion that there is compliance

(k) Books and Records Franchisee shall keep books of account in accordance with good accounting practices which fully and accurately disclose Gross Revenues and shall deliver to Franchisor by the fifteenth (15th) day of the following month, monthly financial statements which accurately reflect current results of the operation of the Restaurant Franchisee shall permit Franchisor, or its agent or representative to inspect and examine Franchisee's books and records at reasonable times If any audit discloses that reported Gross Revenues of Franchisee have been understated, Franchisee shall immediately pay to Franchisor the amounts due, together with late charges as provided herein If such audit discloses that the reported Gross Revenues of Franchisee for the period audited have been understated by three percent (3%) or more, Franchisee shall reimburse Franchisor for any and all expenses incurred in connection with or attributable to the audit including without limitation accounting and legal fees and travel expenses, room and board and compensation for Franchisor's agents and representatives Such payments shall be without prejudice to any other rights and remedies Franchisor may have under this Agreement or otherwise Franchisee shall maintain the books and records of the Restaurant for at least three (3) years

(l) Required Disclosure Franchisee acknowledges that Franchisor may be required by law, regulation or other legal requirement, or may deem it advisable, to disclose information regarding Franchisee or the operation of the Restaurant, including without limitation, earnings or other financial performance information Franchisee agrees that Franchisor shall be entitled to disclose such information and that Franchisor shall have the right to determine the extent and manner in which such disclosure will be made If Franchisor does not have the information necessary for the disclosure Franchisor determines it will make, Franchisee shall provide such information to Franchisor promptly upon Franchisor's request

(m) Notification of Legal Proceedings Franchisee shall notify Franchisor in writing within ten (10) days of the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award, or decree of any court or government agency which may adversely affect Franchisee's financial condition or ability to perform its duties or meet its obligations hereunder

10 INSURANCE

At all times during the term of this Agreement, Franchisee shall maintain in full force and effect at its sole cost and expense Commercial General Liability Insurance with minimum limits of liability of $1,000,000 per occurrence, and $2,000,000 in the aggregate, including premises liability, professional liability products and completed operations, personal and advertising liability and such other limits and coverages as Franchisor shall designate from time to time Franchisee shall also maintain in full force and effect at its sole cost and expense, workers compensation insurance as required by law and business interruption coverage Franchisor and all other subsidiaries, affiliates and other parties designated by Franchisor from time to time shall be named as additional insureds Franchisee shall provide Franchisor with certificates of insurance evidencing the required coverage, which certificates shall be renewed and provided annually and shall contain such detailed information as Franchisor may from time to time request, and Franchisee shall also provide Franchisor with full and complete copies of any and all of the above policies including copies of any renewals or modifications thereto upon request of Franchisor All insurance policies must be issued by an insurance company licensed to do business in the state where the Restaurant is located, approved by Franchisor, and rated A or better by A M Best & Company, Inc Franchisee shall cause the companies to agree by endorsement or separate written document that Franchisor shall be given at least thirty (30) days' prior written notice of termination, expiration, cancellation, modification or reduction in coverage limits of any such policy Upon failure of Franchisee to maintain in effect any of the insurance required, or to furnish to Franchisor satisfactory evidence of such insurance, Franchisor may, in its discretion, obtain insurance coverage on behalf of Franchisee, and Franchisee agrees to promptly execute applications or instruments required to obtain any such insurance and to pay to Franchisor, on demand, all costs, premiums and other expenses incurred by Franchisor

11 INDEMNITY

Franchisee shall, during the term of this Agreement and after the termination or expiration of this Agreement, protect, defend, indemnify and hold the Franchisor, and its affiliates and associates, licensors, officers, directors, owners, employees, agents, representatives and assignees (the "**Indemnified Parties**") harmless against any and all liability for all claims of every kind or nature arising in any way out of or relating to Franchisee's actions or failure to act, whether personal or in connection with the operation of the Restaurant, any other actions or failure to act by Franchisee, its agents or representatives or any breach of this Agreement For purposes of this indemnification, "claims" means and includes all obligations, actual and consequential damages, losses, claims, judgments, demands, liens, reckonings, accounts and costs incurred in the defense of any claim (such as, by way of illustration, but not limitation, accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) Franchisor shall have the right to defend any such claim against it with counsel of its own choosing and Franchisee agrees to cooperate fully with Franchisor in connection with the defense of any claim Franchisee shall have no right to settle or refuse to settle any claim, Franchisee shall retain all right to do so In addition, Franchisee agrees to cooperate fully with Franchisor in any other claims brought by or against Franchisor The defense of such claim, litigation or administrative proceeding by an Indemnified Party, or by Franchisee on an Indemnified Party's behalf, shall be at the sole cost and expense of Franchisee, who shall hold each Indemnified Party free and harmless from all such obligations and liabilities and shall reimburse an Indemnified Party for all expenses incurred therein, including attorneys' fees Further, an Indemnified Party shall have the right independently to take any action it may deem necessary, in its sole discretion, to protect and defend itself against any threatened action subject to indemnification hereunder, without regard to expense, forum or other parties that may be involved

12 MARKS AND TRADE DRESS

(a) Ownership of Marks and Goodwill Franchisee's right to use the Marks is derived solely from, and is subject to, the terms and conditions of this Agreement Such right is limited to the operation of the Restaurant in accordance with this Agreement and all mandatory standards, specifications and operating procedures prescribed from time to time by Franchisor Franchisee acknowledges that Franchisor has the right to use and sublicense the use of the Marks pursuant to a license agreement between it and the Demetrios K Pantazis Family Limited Partnership (the "**Licensor**") that owns the Marks (the "**License Agreement**"), and that they are valid trademarks Franchisee agrees not to contest or oppose, nor to assist anyone else to contest or oppose, directly or indirectly, the License Agreement or Franchisor's rights and use in connection therewith, the Licensor's ownership or use of, application for, or registration of, or the validity or enforceability of, any of the Marks Franchisee also agrees not to acquire or use any trademarks that are similar or identical to the Marks Franchisee agrees that its usage of the Marks and any goodwill established thereby shall inure to the exclusive benefit of the Licensor

(b) Limitations on Franchisee's Use of Marks and Trade Dress If local laws require that Franchisee file a registration stating that Franchisee is conducting business under an assumed name or trade name, Franchisee shall state in such document that it is conducting such business as a franchisee of Franchisor Franchisee shall not use any of the Marks or similar words or colorable imitations thereof as part of any name of any corporation, partnership, limited liability company or other business entity, or with any other prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form or as part of any domain name, web address or similar electronic use, nor may Franchisee use any of the Marks in connection with the sale of any unauthorized products or service or in any other manner not explicitly authorized in writing by Franchisor Franchisee will not use or display, or permit the use or display, of the trademarks, trade names, service marks, insignias, logotypes or any other commercial symbols or trade dress of any other person or entity in connection with the Restaurant without the prior written consent of Franchisor, or as expressly permitted in the Brand Standards Manual

(c) Defense of Trademarks

(i) In the event that Franchisee receives notice or learns of a claim, suit, demand or proceeding against Franchisee on account of any alleged infringement, unfair competition, or similar matter relating to Franchisee's use of the Marks or of any of Franchisor's copyrights in accordance with the terms of this Agreement, Franchisee shall promptly notify Franchisor of such claim, suit, demand or proceeding Franchisee shall have no power, right, or authority to settle or compromise any such claim by a third party without the prior written consent of Franchisor Provided that Franchisee is in full compliance with this Agreement, Franchisor shall defend Franchisee against any claim by a third party against Franchisee for Franchisee's use of the Marks and copyrighted material in accordance with this Agreement, using attorneys of Franchisor's choosing Franchisor may elect to compromise or settle any such claim, at its sole discretion Franchisee agrees to cooperate fully with Franchisor in connection with any such defense Franchisee irrevocably grants Franchisor authority and power of attorney to defend or settle such claims, demands, suits or proceedings

(ii) In the event that Franchisee receives notice or is informed or learns that any third party, that Franchisee believes to be unauthorized to use the Marks, is using the Marks or any variants thereof, or is using any of Franchisor's or its affiliate's copyrights, Franchisee shall promptly notify Franchisor Thereupon, Franchisor shall, in its sole discretion, determine whether or not it wishes to undertake any action against such third party on account of said person's alleged infringement of the Marks or copyrights In the event the Franchisor undertakes such action, it shall have the authority and power of attorney to defend or settle such action Franchisee agrees to render such assistance as Franchisor shall reasonably demand to carry out the prosecution of any such action Franchisee shall have no right to prosecute any claim of any kind or nature whatsoever against such alleged infringer for or on account of said alleged infringement

(d) Copyright Franchisee acknowledges that Franchisor has developed, and may further develop during the term of this Agreement, certain artistic designs, and certain other word combinations and other materials designated for use by Franchisee Franchisee acknowledges that Franchisor and/or its affiliate retains all right, title and interest thereto as provided by copyright law to the originator of works and, further, that Franchisee is licensed to use such copyrighted materials solely in accordance with the terms and during the term of this Agreement

(e) Discontinuance of Use of Marks If it becomes advisable at any time in Franchisor's sole discretion for Franchisee to modify or discontinue use of any Mark or any items of trade dress, or use one or more additional or substitute marks or items, Franchisee agrees to comply with Franchisor's directions to modify or otherwise discontinue the use of such Mark or item of trade dress and to accept, use and display such additional marks or items of trade dress within a reasonable time after notice thereof by Franchisor but in no event more than thirty (30) days after receiving notice from the Franchisor Franchisor shall not be obligated to compensate Franchisee for any costs incurred by Franchisee in connection with any such addition, modification or discontinuance

13 NON-COMPETITION

(a) Franchisee acknowledges that Franchisor could not protect the Trade Secrets against unauthorized use or disclosure and could not achieve a free exchange of ideas and information among franchisees in the System if Franchisee held interests in any competitive business Franchisee acknowledges that Franchisor grants the rights to Franchisee in part in consideration of, and in reliance upon, Franchisee's agreement to deal exclusively with Franchisor Therefore, Franchisee shall not at any time during the term of this Agreement, individually or in conjunction with any person or entity, have any interest as an owner, investor, shareholder, partner, member, lender, director, officer, manager, employee, consultant, guarantor, representative, or agent or in any other manner whatsoever, directly or indirectly, carry on or be engaged in, financially or otherwise, or advise in the establishment or operation of any business involving or related to the sale of chicken and burgers

(b) In addition, for one (1) year after the termination or expiration of this Agreement, Franchisee shall not carry on, be engaged in or advise in the establishment or operation of any business involving or related to the operation of a restaurant selling chicken and burgers or similar businesses described in section (a) above except (i) pursuant to Franchise Agreements with Franchisor, or (ii) if Franchisee is not then a party to any other Franchise Agreement with Franchisor, only at a site that is at least ten (10) miles from any Dino's restaurant (including Franchisee's former Restaurant) that is operating or being developed Franchisee agrees and acknowledges that this restriction represents only a limited one on Franchisee's ability to conduct a business and that the purpose of this covenant is not to deprive Franchisee of a means of livelihood, and will not do so, but is rather to protect the goodwill and interest of Franchisor and the System

(c) Covenants contained in this Section 13 shall be construed as severable and independent, and shall be interpreted and applied consistently with the requirements of reasonableness and equity The period, the geographic area and the scope of the restrictions on Franchisee's activities are divisible so that if any provision of the restrictions is invalid, that provision shall be automatically modified to the extent necessary to make it valid

(d) Franchisee shall require and obtain execution of agreements similar to those set forth in this Section 13 including agreements applicable upon the termination of a person's relationship with Franchisee that shall be effective for a period of one (1) year after such termination from all officers, directors, and holders of a beneficial interest of ten percent (10%) or more of the equity of any entity directly or indirectly controlling Franchisee, if Franchisee is an entity,

(e) All agreements required by this Section 13 shall be in forms satisfactory to Franchisor, including without limitation specific identification of Franchisor as a third-party beneficiary with the independent right to enforce them

14 ASSIGNMENT AND TRANSFER

(a) By Franchisor This Agreement is fully transferable and assignable by Franchisor, in whole or in part, and shall inure to the benefit of any assignee, transferee or other legal successor to its interest herein

(b) By Franchisee

(i) The rights granted to Franchisee in this Agreement are personal and Franchisee acknowledges that Franchisor is entering into this Agreement in reliance upon and in consideration of the individual character, skill, attitude, business ability and financial capacity of Franchisee or, if Franchisee is a corporation, partnership, limited liability company or other entity, of its principal owners and officers or partners Accordingly, Franchisee shall not transfer (as defined below) this Agreement or any interest therein without Franchisor's written consent and without offering Franchisor a right of first refusal Any attempt at a transfer that violates the provisions of this Section shall constitute a material breach of this Agreement and shall convey no right or interest in this Agreement A transfer by an individual franchisee to an entity that is wholly owned by the Franchisee and the sole business of which is the operation of the business contemplated by this Agreement shall not be subject to the Franchisor's right of first refusal nor shall Franchisee be required to pay the transfer fee set forth below, provided that Franchisee notifies Franchisor in advance of the transfer and provides Franchisor with all documents Franchisor deems necessary or advisable including without limitation, an assumption agreement and personal guaranty by Franchisee as an individual Franchisee shall reimburse Franchisor for its expenses in documenting such a transfer

(ii) For purposes hereof, "**transfer**" means any voluntary, involuntary, direct or indirect assignment, sale, division, encumbrance, hypothecation, mortgage, pledge or other transfer by Franchisee, in whole or in part, of any interest in this Agreement, any interest in the Restaurant or more than twenty-five percent (25%) of the ownership of Franchisee (either by one or by a series of transfers), if Franchisee is a corporation, partnership, limited liability company or other entity "Transfer" shall also include, in the event of Franchisee's death, a transfer to the surviving spouse, heirs, estate or other representative of Franchisee (the "**Survivor**")

(iii) Franchisor may require fulfillment of any or all of the following conditions precedent to the granting of consent to any transfer

(A) there shall be no existing default in the performance of Franchisee's obligations under this Agreement or under any other Agreement with Franchisor or any of its affiliates,

(B) the physical premises of the Restaurant shall be in complete compliance with Franchisor's then-current standards,

(C) if required, the lessor of the Restaurant has consented to Franchisee's sublease or transfer of the lease or sublease for the premises to the proposed transferee,

(D) the proposed transferee shall be qualified according to Franchisor's then-current standards for new franchisees, and shall have successfully completed Franchisor's initial training program,

(E) the proposed transferee shall have executed Franchisor's then-current standard franchise agreement for a term of years equal to the remaining term of this Agreement, the proposed transferee shall have executed all ancillary agreements then required by Franchisor and all holders of an equity interest in the proposed transferee (if an entity) shall have executed Franchisor's then-current form of Guaranty,

(F) Franchisee shall have paid to Franchisor a transfer fee of twenty percent (20%) of the proceeds from the transfer, provided, however, that in the event such transfer is to a Survivor, the transfer fee shall only consist of the reimbursement of Franchisor's expenses Two Thousand Five Hundred Dollars ($2,500) of the transfer fee is payable when Franchisee notifies Franchisor of the desire to transfer and is payable regardless of whether or not Franchisor consents to the Transfer,

(G) Franchisee (and its principals if Franchisee is a corporation or other entity) shall have executed a general release in a form acceptable to Franchisor of any and all claims against Franchisor and its officers, directors, employees, affiliates, shareholders, representatives and agents,

(H) any obligations of the transferee to the Franchisee shall be subrogated to the transferee's obligations to Franchisor under the Franchise Agreement it enters into with Franchisor,

(I) if the proposed Transfer is to a business entity, Franchisee must own such business entity, sign a personal service agreement with such business entity, and execute a performance guaranty, and

(J) Franchisee must transfer this Agreement together with all other agreements it has entered into with Franchisor and all rights thereunder to the transferee

(iv) Franchisor's consent to any transfer shall not constitute a waiver of any claim that Franchisor may have against Franchisee or its owner(s), or of Franchisor's right to demand strict compliance with this Agreement

(v) No interest in this Agreement or the franchise shall be the subject of a lien, security interest or pledge either in favor of Franchisee as part of a transfer of the Franchise, or otherwise

(c) Right of First Refusal Franchisee shall provide Franchisor with complete information on the proposed transferee and terms of the transfer Within sixty (60) days of receipt of the complete information and documents by Franchisee, Franchisor will inform Franchisee (i) whether it will exercise its right of first refusal, and (ii) if not, whether it will consent to the transfer In the event that Franchisor notifies Franchisee that it will exercise its right of first refusal, except as provided below, Franchisor or its nominee will accept the transfer upon the same terms and conditions as set forth in the instruments and documents which embodied the proposed transfer Franchisor shall not be required, by exercise of its right of first refusal, to perform obligations of the proposed transferee which are merely incidental to the transfer (e g , employment agreements in favor of individuals, and brokers or finders fees to be paid by the proposed transferee to Franchisee or to any principal of Franchisee) Moreover, Franchisor shall have not less than sixty (60) days from the delivery of Franchisor's notice of exercise to consummate the transfer If Franchisor elects not to exercise its right of first refusal and consents to the proposed transferee, Franchisee may consummate the proposed transfer, but only upon the terms and conditions set forth in the notice submitted to Franchisor

(d) Death or Permanent Disability If Franchisee, or the principal of a Franchisee that is not an individual, dies or is permanently disabled in a manner that prohibits operation of the Restaurant, the Survivor or, in the case of permanent disability, the representative of Franchisee shall, within ninety (90) days of such death or determination of permanent disability, either meet all of the qualifications required of franchisees or shall transfer the Franchise Agreement

15 OPERATION IN THE EVENT OF ABSENCE, DISABILITY OR DEATH

The parties hereto acknowledge that it is imperative that the Restaurant be operated without any interruption and in a manner that will not cause harm to the Restaurant or the System In order to insure such continued operation, in the event that Franchisee is not able to operate the Restaurant, by reason of illness, disability, death, or otherwise, and within sixty (60) days of such illness or death, Franchisee's executor or representative has not transferred the franchise in accordance with the provisions of this Agreement, Franchisee authorizes Franchisor to operate the Restaurant for as long as Franchisor deems necessary and practicable without waiver of any other rights or remedies Franchisor may have under this Agreement All proceeds from the operation of the Restaurant during such period of operation by Franchisor shall be separately accounted for, and the expenses of the Restaurant, including reasonable compensation and expenses for Franchisor's representative(s), shall be charged to said proceeds If Franchisor, in its sole discretion, temporarily operates the Restaurant as provided in this section, Franchisee agrees to hold harmless and fully indemnify Franchisor and any representative(s) of Franchisor who may act hereunder

16 DEFAULT AND TERMINATION

The following provisions are in addition to and not in limitation of any other rights and remedies Franchisor may have at law or in equity, all of which are expressly reserved The exercise by Franchisor of any right or remedy shall not be deemed an election of remedies

(a) With Notice and No Opportunity to Cure This Agreement shall immediately terminate on delivery of notice of termination to Franchisee by Franchisor upon the occurrence of any of the following events, each of which is deemed to be an incurable breach of this Agreement and each of which is deemed to be "good cause " If Franchisee

(i) becomes insolvent or admits in writing Franchisee's inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, files a petition under any foreign, state or United States bankruptcy act, receivership statute, or the like or if such a petition is filed by a third party, or if an application for a receiver is made by anyone and such petition or application is not resolved favorably to Franchisee within ninety (90) days,

(ii) abandons the Restaurant by failing to operate it for five (5) consecutive business days or for any shorter period in such circumstances that render reasonable the conclusion that Franchisee does not intend to continue operating the Restaurant, unless such failure is due to disaster or similar reasons beyond Franchisee's control,

(iii) has made any material misrepresentation or omission in the application for the Restaurant or in any report that Franchisee submits to Franchisor pursuant to this Agreement,

(iv) is convicted by a trial court of or pleads no contest to a felony or other crime or offense or engages in conduct that reflects materially and unfavorably upon the operation and reputation of Franchisor or the System, or if any principal of Franchisee is convicted of or pleads no contest to a felony or other crime or offense or engages in such conduct,

(v) attempts to make or makes an unauthorized assignment, encumbrance or other transfer of Franchisee's rights or obligations under this Agreement,

(vi) is a party to any other agreement with Franchisor or its affiliates that is terminated for Franchisee's breach thereof,

(vii) makes any unauthorized use of the Marks or Trade Secrets or makes any duplication or disclosure of any Trade Secrets including but not limited to any portion of the Brand Standards Manual,

(viii) fails on three (3) or more separate occasions during the term of this Agreement to pay on a timely basis any fees payable hereunder or otherwise fails to comply with this Agreement, whether or not such failures to comply are corrected after notice is delivered to Franchisee and whether or not such failures to comply relate to the same or different requirements of this Agreement,

(ix) shall at any time have the Restaurant or its assets or premises seized, taken over or foreclosed by a government official in the exercise of such official's duties, or by a creditor, lien holder or lessor of Franchisee, or a writ or levy of execution shall issue against the franchise granted hereunder or the goods and chattels of Franchisee,

(x) (10) fails, for a period of three (3) days after notification of noncompliance, to comply with any federal, state or local law or regulations applicable to the operation of the Restaurant,

(xi) intentionally under-reports its Gross Revenues to Franchisor,

(xii) fails to transmit to Franchisor immediately upon receipt any report from any health department or comparable agency in connection with the Restaurant,

(xiii) if a judgment against Franchisee in the amount of more than Five Thousand Dollars ($5,000) remains unsatisfied (unless an appeal is filed or a supersedeas bond is secured) for a period of more than thirty (30) days,

(xiv) if Franchisor determines, in its sole discretion, that continued operation of the Restaurant by Franchisee will result in imminent danger to public health or safety, or

(xv) if the United States government designates Franchisee or any person mentioned in Section 12B hereof a "specially designated national" or "blocked person"

(b) With Notice and Opportunity to Cure This Agreement shall terminate upon Franchisee's failure to cure any of the following, each of which is deemed to be "good cause"

(i) noncompliance with any requirement in this Agreement not listed in subsection (a) above or the Brand Standards Manual or prescribed by Franchisor within thirty (30) days after notice thereof is delivered to Franchisee, or

(ii) failure to make payments to Franchisor for any amounts due within five (5) days after notice thereof is delivered to Franchisee

(c) No Waiver The description of any default in any notice served upon Franchisee shall in no way preclude the Franchisor from specifying additional or supplemental defaults in any action, arbitration, hearing or suit relating to this Agreement or the termination hereof

(d) Enforcement Franchisee acknowledges that the decision to enforce or not to enforce compliance with its rules and regulations by other franchisees shall not affect Franchisor's right to enforce such rules and regulations against Franchisee, even under similar circumstances

(e) Termination by Franchisor and Liquidated Damages Franchisee has agreed to operate the Franchise in compliance with this Agreement for the full term of this Agreement If Franchisee fails to do so, Franchisee acknowledges that Franchisor would be damaged in several ways, including but not limited to loss of future Royalty Fees, loss of representation in the Territory, confusion of customers, disadvantage in competing for new business and other types of business, and injury to the goodwill in the Marks Franchisee further acknowledges that it is difficult to estimate the revenues of the Franchise over a period of years and that elements of Franchisor's damages not directly calculated from the Franchise's revenues are inherently difficult to calculate and the proof thereof would be burdensome and costly (although such damages are real and meaningful to Franchisor) Franchisor and Franchisee agree that liquidated damages (as calculated in this Section) are not a penalty and represent a reasonable estimate of just and fair compensation of Franchisor for the damages that it would suffer if Franchisee should fail to operate the Franchise in compliance with this Agreement for the full Term

(i) As used in this Agreement, the following terms shall have the following meanings

(A) "**Measured Amount**" shall mean the sum of the average monthly amount due to Franchisor in Royalty Fees during the Calculation Period (defined below), multiplied by sixty (60)

(B) "**Calculation Period**" shall mean the twenty-four (24) months consisting of full calendar months immediately preceding the date on which termination took effect, provided that if the Franchise was not in operation for at least twenty-four (24) months consisting of full calendar months, then the Calculation Period shall be the number of months consisting of full calendar months during which the Franchise was open and in operation

(ii) If, notwithstanding the provisions of this Agreement, the assets of the Franchise are transferred to a competitor, or any other prohibited event, as a result of which Franchisor has the right to terminate this Agreement, Franchisee will pay to Franchisor the amount of liquidated damages that is due under this Section times one hundred fifty percent (150%)

(iii) In addition to liquidated damages, Franchisor will have the right to recover reasonable attorneys' fees and court costs incurred in collecting such sums plus interest on all amounts due under this Section which will accrue from the date such liquidated damages are due until paid Such legal remedies will not preclude Franchisor from any equitable remedies to which it may be entitled under applicable law Franchisee's obligation to pay Franchisor liquidated damages, if applicable, and other sums pursuant to this Section will survive termination of this Agreement Payment of liquidated damages to Franchisor will not affect the obligations of Franchisee to take action or abstain from taking action after the termination of this Agreement as required by Section 17 below or Franchisor's remedies in the event that Franchisee does not comply with its obligations thereunder

17 RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION

(a) Payment of Amounts Owed to Franchisor Franchisee agrees to pay Franchisor immediately after the effective date of termination or expiration of this Agreement, all amounts due to Franchisor and all other amounts owed to Franchisor or its affiliates which are then unpaid

(b) Marks After the termination or expiration of this Agreement, Franchisee will

(i) not directly or indirectly at any time or in any manner identify Franchisee or any business with which Franchisee is affiliated as a current or former franchisee or licensee of Franchisor, or as otherwise associated with Franchisor, or use any Mark, any imitation thereof or other indicia of the Restaurant in any manner or for any purpose, or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association, or former connection or association, with the Franchisor,

(ii) at Franchisor's option, return or destroy (and if destroyed, Franchisee must set forth with particularity in a writing signed by Franchisee or a principal thereof the items destroyed) all supplies bearing any Marks,

(iii) refrain from engaging in a competing business as provided in Section 13 above,

(iv) stop using the Marks and the System and return to Franchisor all copies of the Brand Standards Manual and all other proprietary information, including, without limitation, client lists,

(v) stop all use of all telephone numbers, facsimile numbers, e-mail addresses, home pages, web sites and the like that are associated with the Restaurant and cooperate with Franchisor in causing all applicable telephone companies and other service providers to reassign such numbers and addresses to Franchisor or its nominee including, without limitation, signing telephone transfer forms upon the execution of this Agreement or upon demand by Franchisor for use by Franchisor upon expiration or termination of this Agreement,

(vi) refrain from soliciting clients or personnel of the Restaurant, and turn over all customer information and data to Franchisor,

(vii) take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to Franchisee's use of any Marks,

(viii) assist in the smooth transition of the business to any successor franchisee,

(ix) refrain from making any disparaging comments regarding Franchisor,

(x) take such steps as are necessary to change the decor, signage, flooring, fixtures, furniture and equipment and other elements of decor and trade dress so that the premises no longer resemble the Restaurant, and

(xi) comply with all further requirements set forth in the Brand Standards Manual

(c) Continuing Obligations All obligations of the parties that expressly or by nature survive the expiration or termination of this Agreement, including without limitation, Sections 11, 12 and 13, and shall continue in full force and effect subsequent to and notwithstanding its expiration or termination until they are satisfied in full or by nature expire

(d) Option to Purchase Upon termination or expiration of this Agreement, Franchisor or its nominee shall have the option, exercisable for sixty (60) days following the effective date of termination or expiration, to purchase the assets of the Restaurant The purchase price for the assets will be the fair market value as determined by the parties If the parties are unable to agree upon the fair market value of the assets, they shall jointly select an independent appraiser to do so Franchisee and Franchisor shall each pay one-half (½) of the cost of appraisal The fair market value of the assets shall be determined without giving effect to goodwill Franchisor may deduct any amounts Franchisee owes to Franchisor, any liabilities relating to the assets, and, if Franchisor has not complied with the requirements of this

Agreement to upgrade and renovate the Restaurant, the amount necessary to upgrade and renovate the Restaurant to reflect Franchisor's then-current image The purchase price will be payable fifty percent (50%) at the time of closing and the balance in three (3) equal quarterly installments of principal plus interest at a rate per annum equal to the prime lending rate charged by Franchisor's bank determined as of the closing date If the purchase is exercised following Franchisor's termination of this Agreement for cause or termination by Franchisee in breach of this Agreement, any and all costs, expenses, and liabilities incurred by Franchisor, including attorneys' fees and the cost of appraisal, in exercising this option and in acquiring said property, as well as any and all monies due and owing from Franchisee to Franchisor, plus any damages, expenses and costs incurred or suffered by Franchisor by reason of any default, breach, or violation of this Agreement by Franchisee, shall be deducted from the purchase price

18 CONDEMNATION AND CASUALTY

(a) Franchisee shall give Franchisor notice of any proposed taking through the exercise of the power of eminent domain, at the earliest possible time If the Restaurant or a substantial part of the Restaurant is to be taken, it may be relocated within the Territory If such relocation is authorized and Franchisee opens a new Dino's Chicken and Burgers restaurant at such other location in accordance with Franchisor's specifications within one year of the closing of the old Dino's Chicken and Burgers restaurant, the new Dino's Chicken and Burgers restaurant will thereafter be deemed to be the Restaurant franchised under this Agreement If such a condemnation takes place and a new Dino's Chicken and Burgers restaurant does not, for whatever reason, become the Restaurant under this Agreement in accordance with this section, then this Agreement shall terminate immediately upon notice by Franchisor to Franchisee

(b) If the Restaurant is damaged by fire or other casualty, Franchisee will expeditiously repair the damage If the damage or repair requires closing the Restaurant, Franchisee will immediately notify Franchisor, will repair or rebuild the Restaurant in accordance with Franchisor's specifications, and will reopen the Restaurant for continuous business operations as soon as reasonably practicable (but in any event within one year after closing of the Restaurant), giving Franchisor advance notice of the date of reopening If the Restaurant is not reopened in accordance with this paragraph, this Agreement shall terminate immediately upon notice by Franchisor to Franchisee

19 UNAVOIDABLE DELAYS

In the event of failure to perform or delays in the performance of any duties hereunder caused by forces not within the reasonable preventive control of the party due to perform, for example (without limitation), government regulations, fire, flood, labor disputes, natural disasters, acts of God, civil disorders, riots, insurrections, work stoppages, slowdowns or disputes, or other similar events, such failures or delays shall not cause a default in said performance, but, in the event of delay, the parties shall extend the time of performance for a period of time equivalent to the length of delay, or for such other reasonable period of time as agreed to between the parties, provided that such extension shall not enlarge or extend the term of Agreement

20 INVALID OR UNENFORCEABLE PROVISIONS

If any provision of this Agreement, or its application to any person or circumstances, is invalid or unenforceable, then the remainder of this Agreement or the application of such provision to other persons or circumstances shall not be affected thereby

21 RELATIONSHIP BETWEEN PARTIES

(a) Nothing herein contained shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture or employment, or a fiduciary relationship, and neither party shall hold itself out as an agent, legal representative, partner, subsidiary, joint venturer, servant or employee of the other party or its affiliate With respect to all matters pertaining to the operation of the business conducted hereunder, the Franchisee is, and shall be, an independent contractor Neither Franchisor nor the Franchisee has the right to bind or obligate the other to any obligations or debts

(b) It is acknowledged that the Franchisee is the independent owner of its business, shall be in full control thereof, and shall conduct such business in accordance with its own judgment and discretion, subject only to the provisions of this Agreement Franchisee shall conspicuously identify itself as the independent owner of its business and as a franchisee of the Franchisor No party hereto shall be obligated by, or have any liability for, any agreements, representations or warranties made by the other nor shall the Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of the Franchisee's business, whether caused by Franchisee's negligent or willful action or failure to act Neither party shall have liability for any sale, use, excise, income, property or other tax levied upon the business conducted by the other party or in connection with

22 WAIVER

No failure of Franchisor or Franchisee to exercise any power hereunder granted, or to insist on strict compliance by the other with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of either party's right to demand exact compliance with the terms hereof Waiver by either party of any particular default by the other shall not affect or impair any rights with respect to any subsequent default of the same or of a different nature, nor shall any delay or omission of either party to exercise any rights arising from a default affect or impair any rights as to said default or any subsequent default

23 NOTICES

All notices hereunder shall be hand delivered or sent by express mail, federal express or air courier or by registered or certified mail to Franchisor and Franchisee at the respective addresses set forth on the first page of this Agreement, unless Franchisor and/or Franchisee shall from time to time change said addresses by written notice to the other as provided herein Any notice given by registered or certified mail shall be deemed received by the party to whom it is addressed on the third day after such notice is deposited in the United States mail with postage thereon fully prepaid, return receipt requested Any notice given by express mail, federal express or air courier shall be deemed given the next business day

24 APPLICABLE LAW

This Agreement shall be governed in all respects and aspects by the laws of the State of California, subject to the Lanham Act (15 U S C 1051 et seq)

25 RESOLUTION OF DISPUTES

(a) Upon the occurrence of any dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement, the subject matter hereof, or the interpretation or enforcement hereof (in each case, a "**Dispute**"), the Dispute shall first be submitted to mediation on an expedited basis in Los Angeles, California, administered by the Judicial Arbitration and Mediation Service ("**JAMS**"), or its successor, in accordance with the JAMS rules and procedures then in effect Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the Dispute and the relief requested, with the expectation that the first mediation session shall occur within forty-five (45) days of such written request The party seeking the mediation must submit the following in addition to any demand or filing required by JAMS a full and specific description of the claim(s) under this Agreement including without limitation an identification of the specific provisions that the other party has breached, documentary evidence of the facts alleged by the complaining party and a declaration that under penalty of perjury that all facts stated in the claim and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the Dispute The parties will cooperate with JAMS and with one another in selecting a neutral mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings The mediator must be a retired judge or an attorney licensed to practice law in California and experienced in complex commercial transactions If the parties are unable to select the mediator within ten (10) business days after receipt of the mediation notice by JAMS, then JAMS shall designate the mediator The parties covenant that they will (i) participate in the mediation in good faith, (ii) share equally in the costs of the mediator and related JAMS administrative costs, and (iii) pay in advance the estimated reasonable fees and costs of the mediation, as may be specified in advance by the mediator All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator and any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any reference, arbitration, litigation or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation In the event it is necessary, any party may file a motion in the Superior Court of Los Angeles County to compel the other party to participate in the mediation and the prevailing party shall be awarded its costs and expenses, including reasonable attorneys' fees in connection with such motion If the Dispute is not resolved within ten (10) business days after the first mediation session, either party may (i) give written notice to JAMS and the other party that the mediation is terminated and (ii) submit any remaining Disputes to binding arbitration pursuant to Section (b) below

(b) If the parties are unable to resolve the Dispute pursuant to subsection (a) above, then the parties may submit the Dispute to final and binding arbitration in Los Angeles, California, administered by JAMS, or its successor, in accordance with the rules and procedures of JAMS then in effect The parties agree that any and all Disputes that are submitted to arbitration in accordance with this Agreement shall be decided by one (1) neutral arbitrator who is a retired judge or attorney licensed to practice law in California who is experienced in complex commercial transactions If the parties are unable to agree on an arbitrator, JAMS shall designate the arbitrator The parties will cooperate with JAMS and with one another in selecting the arbitrator and in scheduling the arbitration proceedings in accordance with applicable JAMS procedures The arbitration shall be conducted in accordance with the JAMS Comprehensive Rules Any party may commence the arbitration process called for in this Agreement by filing a written demand for arbitration with JAMS, with a copy to the other party The party seeking arbitration must submit the following in addition to any demand or filing required by JAMS a full and specific description of the claim(s) under this Agreement including without limitation an identification of the specific provisions that the other party has breached, documentary evidence of the facts alleged by the complaining party and a declaration under penalty of perjury that all facts stated in the claim and documentation are true and correct and do not fail to state facts known to the complaining party that are material to the determination of the Dispute Any award issued as a result of such arbitration shall be final and binding between the parties thereto and shall be enforceable by any court having jurisdiction over the party against whom enforcement is sought The parties expressly acknowledge and understand that by entering into this Agreement, they each are waiving their respective rights to have any Dispute between the parties hereto adjudicated by a court or by a jury

(c) The parties recognize that their relationship is unique and that each franchisee is situated differently from all other franchisees, and that no one franchisee can adequately represent the interest of others Therefore, the parties agree that any arbitration, suit, action or other legal proceeding shall be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff, consolidated or similar basis

(d) The prevailing party in any legal proceeding will be entitled to recover as an element of such party's cost of arbitration, suit or proceeding, and not as damages, reasonable attorneys' fees to be fixed by the arbitrator or by the court Nothing in this Agreement shall be construed as limiting or precluding either party from bringing any action in any court of competent jurisdiction for injunctive or other extraordinary relief, without the necessity of posting a bond (and if bond shall nevertheless be required, the parties agree that the sum of One Hundred Dollars ($100) shall be sufficient bond), in connection with the Marks, Trade Dress, Proprietary Information or Trade Secrets The parties shall have the immediate right to seek such injunctive or other extraordinary relief at any time, including without limitation, during the pendency of an arbitration or other proceeding This covenant shall be independent, severable and enforceable notwithstanding any other rights or remedies which such party may have

26 TERMINOLOGY

All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Agreement or any section, paragraph, or clause herein may require, as if such word had been fully and properly written in the appropriate number and gender

27 ENTIRE AGREEMENT

(a) This Agreement and the exhibits attached hereto and incorporated herein, if any, contain the entire agreement of the parties and there are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the parties hereto other than those set forth and duly executed in writing in this Agreement

(b) Upon execution of this Agreement by Franchisor, all previous agreements, contracts, arrangements or undertakings of any kind relative to the Franchise granted herein are canceled, and as between the parties hereto, all claims and demands are fully satisfied, provided, however, that this paragraph shall have no effect upon written agreement(s) signed by both parties, whenever executed, except to the extent that such written agreement specifically refers to and modifies or cancels this Agreement If Franchisee is a corporation, partnership or other entity, those shareholders, partners and other persons owning an interest in such entity shall sign Franchisor's form of confidentiality and non-competition agreement If Franchisee is a corporation, partnership or other entity, Franchisor will determine which of the shareholders, partners or other principals shall sign Franchisor's form of Guaranty and Assumption of Franchisee's Obligations, in accordance with Franchisor's criteria, set forth on **Exhibit D** attached hereto and incorporated herein

(c) Franchisee's spouse or, the spouses of all owners of Franchisee if Franchisee is an entity, shall execute a spousal consent in the form attached hereto as **Exhibit B**

28 AMENDMENT OF AGREEMENT

This Agreement shall not be modified or amended except by written agreement executed by both parties hereto No subsequently published manual or other publication of Franchisor shall materially alter the parties' rights and obligations under this Agreement Notwithstanding the preceding sentence, Franchisor may unilaterally amend the Brand Standards Manual from time to time

29 COSTS AND EXPENSES OF ENFORCEMENT

The prevailing party shall recover the reasonable costs and expenses, including reasonable attorneys' fees, incurred by such party in connection with any legal proceeding involving the enforcement of any of the provisions of this Agreement

30 CAPTIONS

The section headings throughout this Agreement are for convenience and reference only, and the words contained therein shall not be held to expand, modify, amplify, or aid in the interpretation or construction of this Agreement

31 FRANCHISEE'S ACKNOWLEDGMENTS

(a) NEITHER FRANCHISEE (INCLUDING, WITHOUT LIMITATION, ANY AND ALL OF ITS DIRECTORS AND OFFICERS, IF ANY), NOR ANY OF ITS AFFILIATES OR THE FUNDING SOURCES FOR EITHER IS A SPECIALLY DESIGNATED NATIONAL OR BLOCKED PERSON NEITHER FRANCHISEE NOR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY OWNED OR CONTROLLED BY THE GOVERNMENT OF ANY COUNTRY THAT IS SUBJECT TO AN EMBARGO BY THE UNITED STATES GOVERNMENT NEITHER FRANCHISEE NOR ANY OF ITS AFFILIATES IS ACTING ON BEHALF OF A GOVERNMENT OF ANY COUNTRY THAT IS SUBJECT TO SUCH AN EMBARGO FRANCHISEE FURTHER REPRESENTS AND WARRANTS THAT IT IS IN COMPLIANCE WITH ANY APPLICABLE ANTI-MONEY LAUNDERING LAW, INCLUDING, WITHOUT LIMITATION, THE USA PATRIOT ACT FRANCHISEE AGREES THAT IT WILL NOTIFY FRANCHISOR IN WRITING IMMEDIATELY UPON THE OCCURRENCE OF ANY EVENT THAT WOULD RENDER THE FOREGOING REPRESENTATIONS AND WARRANTIES OF THIS SECTION INCORRECT

(b) BY SIGNING THIS AGREEMENT YOU ARE AGREEING TO HAVE ALL DISPUTES, CLAIMS OR CONTROVERSIES ARISING OUT OF OR RELATING TO THIS AGREEMENT DECIDED BY NEUTRAL ARBITRATION IN LOS ANGELES, CALIFORNIA, AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THOSE MATTERS LITIGATED IN A COURT OR JURY TRIAL BY SIGNING THIS AGREEMENT YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL EXCEPT TO THE EXTENT THAT THEY ARE SPECIFICALLY PROVIDED FOR UNDER THIS AGREEMENT IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION YOU MAY BE COMPELLED TO ARBITRATE UNDER FEDERAL OR STATE LAW YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY

(c) NO REPRESENTATION, PROMISE, GUARANTEE OR WARRANTY WAS MADE TO INDUCE THE EXECUTION OF THIS AGREEMENT OR IN CONNECTION HEREWITH WHICH IS NOT EXPRESSLY CONTAINED HEREIN FRANCHISEE RECOGNIZES THAT NEITHER FRANCHISOR NOR ANY OTHER PERSON CAN GUARANTEE FRANCHISEE'S SUCCESS IN THE RESTAURANT BY THE EXECUTION AND ACCEPTANCE OF THIS AGREEMENT, THE PARTIES HERETO ACKNOWLEDGE THAT THEY HAVE READ THE SAME AND UNDERSTAND EACH PROVISION HEREOF THIS AGREEMENT, ALTHOUGH DRAWN BY FRANCHISOR, SHALL NOT BE CONSTRUED MORE STRICTLY AGAINST ONE PARTY THAN AGAINST THE OTHER PARTY

(d) FRANCHISEE ACKNOWLEDGES THAT HE OR SHE HAS HAD THE OPPORTUNITY, AND HAS BEEN ADVISED BY FRANCHISOR, TO CONSULT WITH FRANCHISEE'S OWN INDEPENDENT ADVISORS SUCH AS ATTORNEYS, ACCOUNTANTS, BANKERS AND BUSINESS CONSULTANTS REGARDING THIS FRANCHISE AND THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND THAT FRANCHISEE IS NOT RELYING ON ANY REPRESENTATIONS OR STATEMENTS OTHER THAN THOSE SET FORTH IN THIS AGREEMENT FRANCHISEE FURTHER AGREES AND ACKNOWLEDGES THAT FRANCHISEE SHALL COMPLY WITH ALL APPLICABLE LAW IN THE OPERATION OF THE RESTAURANT AND ITS BUSINESS AND SHALL CONSULT WITH ITS OWN INDEPENDENT ADVISORS TO THE EXTENT NECESSARY TO DO SO, FRANCHISOR SHALL NOT BE RESPONSIBLE FOR THE OPERATION OF FRANCHISEE'S BUSINESS WHENEVER A PROVISION OF THIS AGREEMENT PROVIDES FOR FRANCHISOR'S REVIEW AND CONSENT OR APPROVAL, FRANCHISOR'S REVIEW SHALL NOT BE TO DETERMINE COMPLIANCE WITH LAW, WHICH COMPLIANCE IS THE SOLE RESPONSIBILITY OF FRANCHISEE

[SIGNATURES ON NEXT PAGE]

32 EFFECTIVE DATE

This Agreement shall become effective and binding upon execution and delivery by Franchisor

DATE ____________________ By ______________________________

____

DATE ____________________ By ______________________________

____

DATE ____________________ MK (SQUARED) N LLC

By ______________________________

Title ______________________________

EXHIBIT A

(1) Address of Restaurant ______________________

____

____

(2) Territory ______________________

____

____

EXHIBIT B

SPOUSAL CONSENT

The undersigned each being the spouse of a Franchisee (or the spouse of an owner of the Franchisee) hereby states

1) That he or she has read and understands the Franchise Agreement, and

2) That he or she consents to the terms and conditions of the Franchise Agreement, including but not limited to those concerning transfer, and

3) That he or she consents to execution of the Franchise Agreement by Franchisee, and

4) That he or she consents to execution of the Guaranty and Assumption of Franchisee's Obligations

Dated ______________________ Signature __________________________
Print Name __________________________

Dated ______________________ Signature __________________________
Print Name __________________________

EXHIBIT C

INFORMATION REGARDING NON-INDIVIDUAL FRANCHISEES

(1) If Franchisee is a corporation or partnership or other entity, there is set forth below the name, address, title and percentage ownership of each shareholder, partner or member of Franchisee

NAME	ADDRESS	TITLE	PERCENTAGE OWNERSHIP

(2) If Franchisee is a corporation or limited liability company, there is set forth below the name, address and title of each officer and director or manager of Franchisee

NAME	ADDRESS	TITLE

(3) The address where Franchisee's records are maintained is

____

____

(4) There is set forth below the name, address and title of each of Franchisee's principal officers or partners who will be devoting their full time efforts to the operation of the licensed business

NAME	ADDRESS	TITLE

DATE ____________________

____
Name and Title of Person Completing Exhibit

____
Signature

EXHIBIT D

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "**Agreement**") with MK (Squared) N LLC ("**Franchisor**") of even date herewith, each of the undersigned hereby personally and unconditionally (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that ______________________________ ("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement, and (2) agrees to be personally bound by and personally liable for the breach of each and every provision in the Agreement, including but not limited to monetary obligations

Each of the undersigned waives (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings, (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed, (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, (4) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability, and (5) any and all other notices and demands and legal and equitable defenses to which he/she may be entitled

Each of the undersigned consents and agrees that (1) his/her liability under this guaranty shall be joint and several, (2) he/she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so, (3) he/she will individually comply with all the provisions and subsections of the Agreement and any renewals and amendments thereto, (4) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person, and (5) such liability shall not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may, from time to time, grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall, in any way, modify or amend this guaranty which shall be continuing and irrevocable during the term of the Agreement and thereafter

If any provision of this Guaranty and Assumption Agreement is deemed to be invalid or inoperative, for any reason, that part shall be deemed modified to the extent necessary to make it valid and operative or if it cannot be so modified, then severed, and the remainder of the Guaranty and Assumption Agreement shall continue in full force and effect as if it had been executed and entered into with the invalid portion so modified or eliminated

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, each of the undersigned hereto affixed his/her signature effective on the same day and year as the executed Agreement

GUARANTOR(S)

By ______________________________

Print Name ________________________

By ______________________________

Print Name ________________________

MK (SQUARED) N LLC

By ______________________________

Title ______________________________

EXHIBIT B

STATE ADDENDA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT OF MK(SQUARED)N, LLC REQUIRED BY THE STATE OF CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise

Neither the franchisor nor any person in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934 15 U S C A § 78a et seq , suspending or expelling these persons from membership in this association or exchange

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise If the franchise agreement contains a provision that is inconsistent with the law the law will control

The franchise agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)

The franchise agreement contains a liquidated damages clause Under California Civil Code Section 1671 certain liquidated damages clauses are unenforceable

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

The franchise agreement requires binding arbitration The arbitration will occur in Los Angeles California with the costs being borne by each party except in certain cases in which the prevailing party will be entitled to recover its costs and attorneys fees

You should conduct an independent investigation of the costs and expenses you will incur in operating your restaurant Franchisees or former franchisees, listed in the offering circular may be one source of this information

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF OUR WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www dbo ca gov

EXHIBIT C

STATE FRANCHISE ADMINISTRATORS

AND AGENTS FOR SERVICE OF PROCESS

STATE	FRANCHISE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
California	Commissioner of Business Oversight 320 W 4th Street Suite 750 Los Angeles, CA 90013-2344 Toll Free (866) 275-2677 Or (213) 576-7500	Commissioner of Business Oversight 320 W 4th Street Suite 750 Los Angeles, CA 90013-2344

EXHIBIT D

LIST OF FRANCHISEES

(Attached)

LIST OF FRANCHISEES

Store Number	Franchisee
1	Ki Young Lee 770 E Arrow Hwy Pomona, CA 91767 (909) 445-1112
2	Vahe Avakhian 6135 Pacific Blvd Huntington Park, CA 90255 (323) 585-4444

EXHIBIT F

BRAND STANDARDS MANUAL TABLE OF CONTENTS

(Attached)

BRAND STANDARDS MANUAL

Dino's Chicken & Burgers

Table of Contents

Chapter 1 The Introduction 15 pages

- The Scope Of The Manual
- The Purpose Of The Manual
- The Table Of Contents
- Updating The Manual

Chapter 2 The Company - An Overview 21 pages

- The History Of The Company
- The Standards And Policies That Comprise The Concept
- The Products And Services That Are Approved
- The Concept Of Operations
- The Concept Of Service

Chapter 3 Our Franchise 34 pages

- Basic Franchise Terminology
- The Standards And Policies For The Franchise
- An Outline Of The Services Provide By The Franchisor

Chapter 4 Our Service mark 12 pages

- The Trademarks Listed
- Use Of The Trademarks
- Protecting The Trademarks
- Process For Addressing Violations Of The Trademark Within The Marketplace

Chapter 5 Specifications, Policies and Standards 32 pages

- Specifications Of All Food Products
- Food Pre-Preparation Procedures
- Food Preparation Procedures
- Food Presentation

Chapter 6 The Facility 23 pages

- Site Selection
- Leases
- Construction Issues
- Construction Specifications
- Equipment Specifications
- Maintenance Issues
- Cleaning Issues

Chapter 7 Staff and Cleaning Crews 37 pages

- Staff Planning
- Cleaning Crews

Chapter 8 Safety and Security 39 pages

- Safety Issues
- Safety Planning
- Security Issues
- Security Planning
- Cleaning Supplies-Safety
- HACCP

Chapter 9 The Business Side of the Franchise 37 pages

- The Software System
- The Accounting Process
- Payroll Process
- Marketing
- Purchasing
- Human Resources
- The Facility
- Reports

The Management Manual

Chapter 1 **The Introduction** 15 pages

- The Scope Of The Manual
- The Purpose Of The Manual
- The Table Of Content
- Updating The Manual

Chapter 2 **Customer Service** 38 pages

- Training For Customer Service
- Our Products And Services
- Order Taking
- Suggestive Selling-Helping The Customer
- Using The POS
- Handling Money
- Presenting The Food To The Customer
- Complaints
- Troubleshooting/Great CS

Chapter 3 **Backroom Operations** 46 Pages

- Pre-Preparation Of The Food
- Working The Line
- Working The Fryer
- Working The Grill
- Working The Drinks
- Other Stations

Chapter 4 **Managing The Unit** 38 Pages

- Opening The Restaurant
- Closing The Restaurant
- Staffing
- Purchasing
- Marketing

- POS
- Troubleshooting
- Reports

Total Pages	Franchise Operations Manual	250 Pages
	Management Manual	137 Pages

DINO'S CHICKEN AND BURGERS
RECEIPT

The Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language Read this Disclosure Document and all agreements carefully

If Dino's 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 in connection with the proposed franchise sale

If Dino's 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, D C 20580, and the applicable state agency listed in Exhibit C

Following is information about the franchise seller(s) involved in this transaction

Nicole Pitsos
2575 W Pico Blvd
Los Angeles, California 90006
818-741-0464

Dino's Chicken and Burgers authorizes the agents listed in Exhibit C to this Disclosure Document to receive service of process

I received a Disclosure Document issued April 24, 2017 that included the following Exhibits

A Franchise Agreement
B State Addenda
C List of State Franchise Administrators and Agents for Service of Process
D List of Franchisees
E Financial Statements
F Brand Standards Manual Table of Contents

____
Date

____
Franchisee

____
Print Name

individually and as an officer, partner or member
of ______________________
a (______________________ corporation)
a (______________________partnership)
a (______________ limited liability company)
which has been or will be formed to act as franchisee

Address

____
City State Zip Code

____
Area Code Phone Number

DINO'S CHICKEN AND BURGERS
RECEIPT

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F Brand Standards Manual Table of Contents

____
Date

____
Franchisee

____
Print Name

individually and as an officer, partner or member of ______________________
a (______________________ corporation)
a (______________________partnership)
a (______________ limited liability company)
which has been or will be formed to act as franchisee

Address

____
City State Zip Code

____
Area Code Phone Number