FRANCHISE DISCLOSURE DOCUMENT

GOLDEN KRUST FRANCHISING, INC.
d/b/a Golden Krust Caribbean Restaurant,
A New York Corporation
399 Knollwood Road, Suite 117
White Plains, New York 10603
914-228-5965
information@goldenkrustbakery.com
www.goldenkrustbakery.com

As a franchisee, you will operate a Caribbean-style restaurant offering and serving a variety of Caribbean meals, featuring Jamaican patties, jerk chicken and bakery products.

The total investment necessary to begin operation of a Traditional Golden Krust Restaurant Caribbean Restaurant ranges from $225,900 to $620,000. The total investment necessary to begin operation of a Golden Krust Drive-Thru restaurant is from $264,100 to $687,000. This includes $40,000 that must be paid to the Franchisor for a tradition or Drive-Thru Restaurant; and between $6,000 to $12,000 for opening inventory paid to the Franchisor and/or outside suppliers.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Department at 399 Knollwood Road, Suite 117, White Plains, NY 10603 (914) 228-5965.

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

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

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

Issuance Date: April 20, 2018

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a 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 C 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 THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION AND/OR LITIGATION IN NEW YORK. 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 NEW YORK THAN IN YOUR HOME STATE.

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

3. THE FRANCHISEE’S SPOUSE, MUST SIGN THE FRANCHISE AGREEMENT, AND THE SPOUSE OF EACH FRANCHISE OWNER MUST SIGN A PERSONAL GUARANTY OF THE FRANCHISE OBLIGATIONS. SUCH SPOUSES ARE JOINTLY AND SEVERABLY LIABLE FOR ALL DEBTS OF THE FRANCHISE, WHETHER OR NOT INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THESE REQUIREMENTS PLACE THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNERS AND SPOUSES AT RISK.

4. YOU MUST PAY US A MINIMUM WEEKLY ROYALTY OF $250.00 EVEN IF THE FRANCHISE BUSINESS HAS NO REVENUE.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See Listing of State Effective Dates

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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, Florida, 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.

California

Florida

Illinois

Maryland

Michigan

New York

Virginia

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Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor is Golden Krust Franchising, Inc. The Franchise does business under the name "Golden Krust Caribbean Restaurant", "Golden Krust Caribbean Bakery & Grill", and "Golden Krust". The Franchisor will be referred to in this Disclosure Document as "Golden Krust" or "GK" or "WE." A person who buys a franchise from Golden Krust will be referred to in this Disclosure Document as "you." If you are a corporation, partnership or other entity, certain provisions of Golden Krust's Franchise Agreement also will apply to your owners. This Disclosure Document will indicate when your owners are also covered by a particular provision.

Golden Krust Franchising, Inc. is a New York corporation, incorporated on August 8, 1995, and currently maintains its principal business address at 3958 Park Avenue, Bronx, NY 10457. Golden Krust Franchising, Inc.'s affiliate, Golden Krust Caribbean Bakery, Inc. maintains its principal business at 3958 Park Avenue, Bronx, NY 10457 and maintains a franchising office at 3958 Park Ave, Bronx, NY 10457. Golden Krust's agent in this state for service of process is, if applicable, disclosed in Exhibit C. Golden Krust conducts business under its corporate name and service marks "Golden Krust Caribbean Restaurant", "Golden Krust Caribbean Bakery and Grill", "Golden Krust" and its associated logo. Golden Krust has no predecessors and there are no parent companies.

The Franchise We Offer.

Golden Krust grants franchises for the operation of traditional restaurants ("Golden Krust Caribbean Restaurant" or "Golden Krust Caribbean Bakery and Grill") and Drive-Thru restaurants ("Golden Krust").

Golden Krust Caribbean Restaurant and Golden Krust Caribbean Bakery & Grill traditional restaurants offer and serve a wide variety of Caribbean food products featuring Golden Krust branded Jamaican patties, jerk chicken and bakery products. Most of these products will be offered at the premises of the restaurant, although you may provide catering and delivery services outside the premises of the restaurant itself.

"Golden Krust" Drive-Thru restaurants offer take-out service, as well as full-seating. These restaurants feature our Golden Krust branded Jamaican patties and jerk chicken, as well as a full-menu of Caribbean meals and bakery goods products.

If you buy a franchise from Golden Krust, you will operate your restaurant according to Golden Krust's business formats, methods, procedures, designs, layouts, standards and specifications.

You will be competing with other quick service and fast casual restaurants, full service restaurants, grocery and specialty stores that offer breads, patties and similar ethnic foods and similar types of businesses. Your products and services will be offered to the general public. The market for Caribbean cuisine is developed in some areas and developing in other areas, depending on the number of this type of restaurants in the particular area.

Golden Krust began offering franchises for traditional restaurants initially under the name "Golden Krust Patties" in 1996. We operate businesses of the type being franchised as does our affiliate, Golden Krust Caribbean Bakery, Inc. and certain principals and related family members of Golden Krust have operated similar restaurants under the name "Golden Krust Caribbean Bakery" since 1988. Five (5) Golden Krust traditional restaurants and one (1) Drive-Thru are operated by us or affiliates. Golden Krust Caribbean Bakery, Inc., also produces Jamaican patties and other Caribbean food products for distribution to Golden Krust's franchisees and other non-franchise customers including grocery stores, supermarkets, club stores, gas stations, convenience stores and institutional users such as schools and prisons.

Golden Krust began offering its "Drive-Thru" restaurants in 2013.

We have not offered franchises in other lines of business. We nor any Golden Krust affiliates engaged in any business activities other than those described above and have not offered franchises in any line of business.

You are required, and it is your sole responsibility to, comply with all local, state and federal health and sanitation laws that apply to restaurant operations and food service operations.

Item 2

BUSINESS EXPERIENCE

Chief Executive Officer and President: Alfred R. Novas

Alfred R. Novas was appointed Golden Krust Franchising, Inc.'s Chairman, Chief Executive Officer and President in February 2018. Mr. Novas has been on the Board of Directors of the franchisor since 2005. Mr. Novas is also Chairman, Chief Executive Officer of Golden Krust Caribbean Bakery, Inc. and a member of its Board of Directors.

President, Restaurant Division: Daren Hawthorne

Daren Hawthorne, Esq. was appointed President, Restaurant Division in February 2018 and elected to the franchisor's Board of Directors in February 2018. Since 2006, Mr. Hawthorne has served the company in a variety of positions, including most recently, Executive Vice President, Franchising and Corporate Counsel. He has worked in other positions, including Concept Development Strategist, the Corporate Counsel.

Chief Financial Officer: Kareen Murray

Kareen Murray was appointed Chief Financial Officer of the franchisor in February 2018. Ms. Murray most recently was Golden Krust Franchising, Inc.'s Controller since 2005. She also serves as the Chief Financial Officer of Golden Krust Caribbean Bakery, Inc.

Chief Administrative Officer: Lorraine Morrison

Lorraine Morrison is the Chief Administrative Officer of the franchisor since February 2018. Ms. Morrison has been with Golden Krust since its inception in 1995. Immediately prior assuming this role, she was Vice President, Real Estate and Legal. Ms. Morrison previously served the Company in other capacities including as Auditor, Operations Manager and Director of Franchise Sales. Ms. Morrison is Chief Administrative Officer of Golden Krust Caribbean Bakery, Inc.

Vice President, Franchise Operations: Steven Ament

Steven Ament was appointed Vice President, Franchise Operations in February 2018. Immediately prior to this role, Mr. Ament was Vice President, Field Operations, a position held since 2005. Mr. Ament joined Golden Krust in 2002.

Director, Franchise Development: Omar Hawthorne

Omar Hawthorne is the franchisor's Director, Franchise Development. Since joining Golden Krust in 2004, Mr. Hawthorne held positions including Real Estate Coordinator, Real Estate Development Manager and Franchise Development Coordinator.

Director, Marketing and Public Relations: Steven Clarke

Steven Clarke was appointed Director, Marketing and Public Relations in May 2017. Immediately preceding this appointment, he servers as in several roles at Golden Krust Caribbean Bakery, Inc., since 2011, including Director, Operation and Logistics.

Director, Franchise Compliance: Herma Hawthorne

Herma Hawthorne is the franchisor's Director, Franchise Compliance. Ms. Hawthorne joined Golden Krust in 2002 served in various capacities including Director, Franchise Sales & Development, Human Resource Coordinator and Compliance Manager.

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Item 3

LITIGATION

Lance Thelwell and Debbie Thelwell v. Golden Krust Franchising, Inc.

1) On January 26, 2009 Lance and Debbie Thelwell filed a Demand for Arbitration (AAA Case #19114E0001109) seeking a refund of their $25,000 franchise fee based on their inability to find a suitable location for their GK franchise restaurant. GK opposed the return of the franchisee's fee as GK presented the franchisees with two suitable locations for the restaurant which franchisees refused to accept. A hearing was held on July 13, 2009. On July 24, 2009 the Arbitrator held that under a certain Rider executed by the parties, the franchisees were entitled to a refund of their franchise fees and awarded them the sum of $25,000.

Other than this action, no litigation is required to be disclosed in this Item.

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Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

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Item 5

INITIAL FEES

Golden Krust currently charges an initial franchise fee of $40,000 for a Golden Krust Caribbean Restaurant or Golden Krust Caribbean Bakery and Grill traditional restaurant and for a “Drive-Thru” restaurant. You must pay the franchise fee in a lump sum when you sign the Franchise Agreement. Initial Franchise Fees are considered to be fully earned when paid and are not refundable.

Proceeds from the Initial Franchise Fee go into our general operating fund and compensate us for our lost or deferred opportunity to franchise others and, in part, is used to defray the costs we may incur as a result of screening and approving you as a franchisee, providing you with advice and assistance and incurring legal, accounting and other costs to comply with the federal and state laws regulating this offering together with marketing and general administrative expenses. This provision is not applicable in Illinois.

Golden Krust reserves the right to reduce or waive the initial franchise fee for employees of GK or related entities who become franchisees and also for family members of GK’s principals. You must also purchase adequate opening inventory (i.e., food products) from our affiliate Golden Krust Caribbean Bakery, Inc. and outside suppliers in the approximate amount of $6,000 to $12,000. Both the opening inventory expenditure and development fee are also nonrefundable.

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Item 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty[1](traditional restaurant) Drive-Thru	3% of Gross Sales or $250 weekly, whichever is greater 3% of Gross Sales	Payable on first day of each week	Gross Sales means all revenues from restaurant operations whether from cash or credit, but excluding sales and other taxes and customer refunds. See Section III(c) of Franchise Agreement
Advertising (Traditional Restaurant) Drive-Thru	2.5% of Gross Sales 2.5% of Gross Sales	1.5% of Gross Sales payable on first day to Golden Krust of each week	1.5% of the advertising fee will go to the national advertisement fund, while 1% will go toward franchisees' local store marketing initiative
Development Fee	N/A	N/A	N/A
Transfer	$10,000	Prior to consummation of transfer	Payable when the Franchise Agreement or a controlling interest in you is

[1] All fees are uniformly imposed by and payable to Golden Krust. All fees are non-refundable.

			transferred. No charge if Franchise Agreement transferred to an entity which you control
Renewal	$25,000	Upon signing successor Franchise Agreement	
Audit	Cost of inspection or audit	15 days after billing	Payable only if you fail to furnish reports, supporting records or other required information
Interest	Lesser of 1.5% per month or highest contract rate of interest allowed by law	15 days after billing	Payable on all overdue amounts
Brand Standards Manual	$300	15 days after billing	Cost of replacement copy
Management Fee	$250 per day	As agreed	Payable during period that GK's appointed manager manages the Restaurant upon your death or disability or abandonment
Costs and Attorney's Fees	Will vary under circumstances	As incurred	Payable upon your failure to comply with the Franchise Agreement

Indemnification	Will vary under circumstances	As incurred	You have to reimburse GK if it is held liable for claims arising from your Restaurant's operations
Testing	$500-$2,000	15 days after billing	This covers the costs of testing new products or inspecting new suppliers you propose
Relocation Expenses	If a franchisee is re-locating this may call for a new franchise agreement (the franchise agreements are nontransferable). This would incur a franchise fee that would cover these costs.	15 days after billing	This covers the cost GK incurs if you want to relocate the Restaurant
Clover Monthly Support System	You will be required to purchase the Clover monthly support system at $49.00 per month along with the multi store reporting app at $4.99 per month.		This plan is required.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Golden Krust Caribbean Bakery and Grill (Traditional Restaurant)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (1)	$40,000	Lump Sum	On signing Franchise Agreement	GK
Restaurant Development Fee (2)	N/A	N/A	N/A	N/A
Leasehold Improvements (3)	$81,000-$307,000	As Agreed	As Vendors Required	Outside Contractors
Furniture, Fixtures and Equipment (4)	$48,000-$98,000	As Agreed	As Vendors Required	Outside Vendors
Signage	$4,400-$16,000	As Agreed	As Vendors Required	Outside Vendors
First Month's Rent (5)	$3,000-$15,000	Lump Sum	As specified in lease or sublease	Landlord
Security Deposit (5)	0-$45,000	Lump Sum	On signing lease or sublease	Landlord
Opening Inventory and Supplies (6)	$6,000-$12,000	As Agreed	As Suppliers Required	GK and Golden Krust Caribbean Bakery, Inc.
Grand Opening Advertising (7)	$3,000-$10,000	Lump Sum	As Vendors Required	Advertising & Entertainment Sources
Training Expenses (8)	$2,500-$5,000	As Incurred	As Incurred	Third Parties
Miscellaneous Opening Costs (9)	$8,000-$18,000	As Incurred	As Suppliers/ Vendors Require	Third Parties
Additional Funds 3 -7 months (10)	$30,000-$54,000	As Incurred	As Expenses Occur	Third Parties

TOTAL ESTIMATED INITIAL INVESTMENT	$225,900-$620,000			

Explanatory Notes

1. The current initial franchise fee is $40,000. The initial franchise fee is not refundable.

2. This optional fee, although not applicable here, is charged for managing the construction of the store. It does not include "soft costs" such as architectural, building department or expediting Fees. This fee, if applicable, is not refundable.

3. The size of a restaurant is estimated to be 1,200 to 3,500 square feet. Costs of leasehold improvements, which include architects/engineering fees, municipality fees, floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry, plumbing, HVAC and related work and contractor's fees, will vary significantly depending on the condition, location and size of the premises, and any construction, heating and air conditioning systems or other allowances granted by the landlord after negotiations. This fee is not refundable.

4. This item includes sinks, refrigerators, ovens, stoves, grill, fryers, cookers, cooking exhaust and fire suppression system, display cases, tables, chairs, booths, utensils, cash registers, a phone system, computer, fax system, broadband service, desk, filing cabinets safes, and related office supplies. The low end of the range assumes that you take over an existing restaurant space with some of these items already in place. The high end of the range assumes that all new equipment is purchased. This fee is not refundable.

5. The amount of the first month's rent and security deposit will depend on the size, condition and location of the premises and the demand for the premises among prospective lessees. This fee may be refundable depending on the terms of the agreement with the Landlord. It is at Landlord's sole discretion to allow a franchisee to pay $0 for a security deposit. This could happen if a Landlord allows first month's rent to be paid and substituted as a security deposit.

6. The difference between the low and high ranges is attributable to the actual size of the restaurant and the amount and variety of the food and restaurant products, materials and supplies necessary for the opening of the Restaurant in compliance with Golden Krust's prescribed standards and specifications. This fee is not refundable.

7. This item estimates how much you will be required to spend on Grand Opening advertising and the actual ceremony. The official opening of your store can take several formats and may include print media, radio, TV, DJ, bands, flyers, give-a-ways, etc. You will be responsible for these costs and they are not refundable by GK.

8. This item estimates how much you could spend for payroll, traveling, accommodations, etc. whilst participating in the prescribed training courses. You will be responsible for these costs and they are not refundable by GK.

9. Miscellaneous Expenses. These expenses include miscellaneous opening costs and expenses such as installation of telephones, deposits for gas, electricity and related items, installation of security systems, business licenses, legal and accounting expenses and insurance premiums. This fee is not refundable. A security system is not required, however highly suggested. The cost of a security system is $8,000 - $12,000. You are obligated to obtain and maintain, at your own expense, insurance coverage that GK requires from time to time and meet the other insurance related obligations in the Franchising Agreement. You currently are required to maintain comprehensive liability insurance coverage of $1,000,000.00 per occurrence, $2,000,000.00 aggregate for property damage, approximately $5,000,000.00 for bodily injury, death and blanket contents, approximately $1,000,000.00 for business interruption and approximately $1,000,000.00 for automobile liability (owned and non-owned). The cost of this coverage will vary depending on insurance carrier charges, terms of payment and your history. All insurance policies must name GK as an additional insured party. The cost ranges from $2,500.00 - $3,000.00 liability/general aggregate annually.

10. This item estimates your initial start-up expenses incurred before operations begin and during the initial period of operations (3-7 months). These expenses include payroll costs. These figures are estimates, and Golden Krust cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: your management skill, experience and business acumen; local economic conditions; the local market for your

products and services; the prevailing wage rate; competition; and the sales level reached during the initial period.

Golden Krust relied on its affiliates' experience in the restaurant business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Golden Krust does not offer financing directly or indirectly for any part of the initial investment.

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Golden Krust Drive-Thru Restaurant

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made

Initial Franchise Fee (1)	$40,000	Lump Sum	On signing Franchise Agreement	GK
Restaurant Development Fee (2)	N/A	N/A	N/A	N/A
Leasehold Improvements (3)	$100,000-$380,000	As Agreed	As Vendors Required	Outside Contractors
Furniture, Fixtures and Equipment (4)	$60,000-$100,000	As Agreed	As Vendors Required	Outside Vendors
Signage	$8,000-$20,000	As Agreed	As Vendors Required	Outside Vendors
First Month's Rent (5)	$4,000-$12,000	Lump Sum	As specified in lease or sublease	Landlord
Security Deposit (5)	$0-$45,000	Lump Sum	On signing lease or sublease	Landlord
Opening Inventory and Supplies (6)	$6,000-$12,000	As Agreed	As Suppliers Required	GK
Grand Opening Advertising (7)	$5,000-$7,000	Lump Sum	As Vendors Required	Advertising & Entertainment Sources
Training Expenses (8)	$2,500-$5,000	As Incurred	As Incurred	Third Parties
Miscellaneous Opening Costs (9)	$8,600-$16,000	As Incurred	As Suppliers/ Vendors Require	Third Parties
Additional Funds 3 -7 months (10)	$30,000-$50,000	As Incurred	As Expenses Occur	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT	$264,100-$687,000			

Explanatory Notes

1. The current initial franchise fee is $40,000. The initial franchise fee is not refundable.

2. This optional fee, although not applicable here, is charged for managing the construction of the store. It does not include "soft costs" such as architectural, building department or expediting Fees. This fee, if applicable, is not refundable

3. The size of a restaurant is estimated to be 1,200 to 1,500 square feet. Costs of leasehold improvements, which include architects/engineering fees, municipality fees, floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry, plumbing, HVAC and related work and contractor's fees, will vary significantly depending on the condition, location and size of the premises, and any construction, heating and air conditioning systems or other allowances granted by the landlord after negotiations. This fee is not refundable.

4. This item includes sinks, refrigerators, ovens, stoves, grill, fryers, cookers, cooking exhaust and fire suppression system, display cases, tables, chairs, booths, utensils, cash registers, a phone system, computer, fax system, broadband service, desk, filing cabinets safes, and related office supplies. The low end of the range assumes that you take over an existing restaurant space with some of these items already in place. The high end of the range assumes that all new equipment is purchased. This fee is not refundable.

5. The amount of the first month's rent and security deposit will depend on the size, condition and location of the premises and the demand for the premises among prospective lessees. This fee may be refundable depending on the terms of the agreement with the Landlord. It is at Landlord's sole discretion to allow a franchisee to pay $0 for a security deposit. This could happen if a Landlord allows first month's rent to be paid and substituted as a security deposit.

6. The difference between the low and high ranges is attributable to the actual size of the restaurant and the amount and variety of the food and restaurant products, materials and supplies necessary for the opening of the Restaurant in compliance with Golden Krust's prescribed standards and specifications. This fee is not refundable.

7. This item estimates how much you will be required to spend on Grand Opening advertising and the actual ceremony. The official opening of your store can

take several formats and may include print media, radio, TV, DJ, bands, flyers, give-a-ways, etc.

8. This item estimates how much you could spend for payroll, traveling, accommodations, etc. whilst participating in the prescribed training courses.

9. Miscellaneous Expenses. These expenses include miscellaneous opening costs and expenses such as installation of telephones, deposits for gas, electricity and related items, installation of security systems, business licenses, legal and accounting expenses and insurance premiums. This fee is not refundable. A security system is not required, however highly suggested. The cost of a security system is $8,000 - $12,000. You are obligated to obtain and maintain, at your own expense, insurance coverage that GK requires from time to time and meet the other insurance related obligations in the Franchising Agreement. You currently are required to maintain comprehensive liability insurance coverage of $1,000,000.00 per occurrence, $2,000,000.00 aggregate for property damage, approximately $5,000,000.00 for bodily injury, death and blanket contents, approximately $1,000,000.00 for business interruption and approximately $1,000,000.00 for automobile liability (owned and non-owned). The cost of this coverage will vary depending on insurance carrier charges, terms of payment and your history. All insurance policies must name GK as an additional insured party. The cost ranges from $2,500.00 - $3,000.00 liability/general aggregate annually.

10. This item estimates your initial start-up expenses incurred before operations begin and during the initial period of operations (3-7 months). These expenses include payroll costs. These figures are estimates, and Golden Krust cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period.

    Golden Krust relied on its affiliates' experience in the restaurant business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Golden Krust does not offer financing directly or indirectly for any part of the initial investment.

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Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You are obligated to operate the restaurant according to Golden Krust's System Standards. System Standards may regulate, among other things, the types, models and brands of required fixtures, furnishings, equipment, signs, materials and supplies to be used in operating the restaurant, required or authorized products and product categories and designated or approved suppliers of such items (which may be limited to or include GK or its affiliates). We require you to purchase or lease all of your restaurant's equipment from designated approved suppliers.

The Franchisor's criteria for approving suppliers is not readily available to the franchisees. However, all changes in regards to acquisitions of new suppliers and equipment are always at the franchisees best interest.

Prior to opening, you are required to purchase Clover Point of Sale Hardware and Software consisting of 2 Clover POS workstations (Lan/Ethernet) integrated credit card processing services using Clover merchant services partners. You will also be required to purchase the Clover monthly support system at $49.00 per month along with the multi store reporting app at $4.99 per month. We must maintain independent access to the information or data generated by your Point Of Sale System. The name and address of our approved supplier is First Data, 101 Hudson St, Jersey City, NJ 07302: Phone number (908) 216- 8430. You may also be required to purchase the following: QuickBooks Accounting (Online version); Ethernet local area network (LAN). We may require that you update or replace this point of sale system.

In order to maintain the quality of the goods and services sold by Golden Krust restaurants and the reputation of the Golden Krust franchise network, you are obligated to purchase all Jamaican patties, jerk seasonings, jerk sauce, jerk chicken and substantially all of your breads, cakes and other baked goods from a Golden Krust affiliate, Golden Krust Caribbean Bakery, Inc. Most of the shareholders of Golden Krust Franchising, Inc. each own an equity interest in Golden Krust Caribbean Bakery, Inc. The price you pay for food products from our affiliate vary depending on quantities purchased. The prices charged to Golden Krust Caribbean Bakery, Inc. by the manufacturer are equivalent to market prices.

Golden Krust Caribbean Bakery, Inc. does not charge the same prices to individual/entities who are not franchisees. Golden Krust expects these purchases and leases to represent approximately 30% of your total costs in establishing your restaurant and approximately 60% of your total purchases in connection with the operation of your restaurant. In 2017, the books and records of Golden Krust Caribbean Bakery, Inc. showed total sales of food products to franchisees were approximately $13,943,057 which amounted to 39.12% of its total revenues of $35,639,826. This affiliate's remaining revenues come from sales to schools, correctional facilities, other institutions, grocery stores, wholesale, national distributors, retail distributors, independent drivers, food service.

Additionally, you are obligated to purchase all other food or restaurant products from sources designated by Golden Krust. Equipment and fixtures for your restaurant must meet Golden Krust's minimum standards and specifications. Golden Krust's standards and specifications may impose minimum requirements for delivery, performance, design and appearance. Golden Krust will notify you in its Brand Standards Manual or other communications of its standards and specifications and/or names of approved suppliers. There may be situations where you can obtain items from any supplier who can satisfy Golden Krust's requirements and, therefore, could be considered an approved supplier, however, Golden Krust must first approve the supplier in writing. In such cases, Golden Krust will advise you whether or not the supplier is approved within sixty (60) days of a written request from you. Golden Krust does not provide material benefits to its franchisees based on their use of approved sources or their purchase of particular products or services.

If you want to use any item that does not comply with System Standards or is to be purchased from a supplier that has not yet been approved, you must first submit sufficient information, specifications and samples for Golden Krust's determination whether the item complies with System Standards or the supplier meets approved supplier criteria. Golden Krust has the right to charge you a reasonable fee to cover the costs it incurs in making this determination and will, within sixty (60) days, notify you of its decision. Golden Krust will, from time to time, establish procedures for submitting requests for approval of items and suppliers and may impose limits on the number of approved items and suppliers. Approval of a supplier may be conditioned on criteria relating to product quality, frequency of delivery, standards of service and concentration of purchases with one or more suppliers in order to obtain better prices and service and may be temporary, pending Golden Krust's further evaluation of the supplier.

Golden Krust is an approved construction supervisor.. Any contractor you hire to build or renovate your restaurant must be approved by GK.

In addition to the purchases or leases described above, you are obligated to obtain and maintain, at your own expense, such insurance coverage that Golden Krust requires from time to time and meet the other insurance related obligations in the Franchise Agreement. You currently are required to maintain comprehensive liability insurance coverage ($1,000,000 per occurrence, $2,000,000 aggregate) for property damage, bodily injury and death, and blanket contents (approximately $500,000), business interruption (approximately $500,000), theft (approximately $30,000), employee benefit liability (approximately $1,000,000), automobile liability (owned and non-owned) (approximately $1,000,000) coverage. The cost of this coverage will vary depending on the insurance carrier's charges, terms of payment and your history. All insurance policies must name Golden Krust as an additional insured party.

Golden Krust has an exclusive fountain beverage agreement with Pepsi USA wherein all franchisees are required to install soda fountains featuring Pepsi beverages. Under the terms of this agreement, Pepsi advanced Golden Krust the sum of $139,698 as "conversion funds which covers the costs of franchisees converting their fountain beverage equipment and plumbing to Pepsi supplied equipment. Additionally, the Company was advanced the sum of $40,000 (market funds) to be used by the Company in joint marketing campaigns with Pepsi. These marketing funds accrue to Golden Krust at the rate of $1.15 per gallon of Pepsi purchased by Golden Krust franchisees. Golden Krust was also advanced the sum of $8,000 by Pepsi towards the design of menu boards incorporating Pepsi's products. Finally, the Company is paid by Pepsi a "Growth Incentive" fee calculated by multiplying the number of gallons of Pepsi products in excess of 5% over the gallons purchased by Golden Krust franchisees during the previous year's purchases by $0.50 per gallon.

Golden Krust appointed Jersey Paper Plus as a distributor of certain paper products (napkins, bags, etc.) to be used by franchisees. The Company was advanced the sum of $20,000 as a "prebate" towards franchisee purchases, which was fully earned as of December 31, 2005. The Company earns a 2% royalty on net sales to franchisees. These funds are used by the company for general operating purposes.

Clayton Kendall is an approved vendor for the supply of all decorated and printed materials, including but not limited to, paper forms, business cards, logoed promotional items, name tags, awards, signage, point of purchase materials, uniforms and decorated apparel, and other branded products. All items of this nature must be purchased from Clayton Kendall. The online store address for all purchases is https://goldenkruststore.com. Clayton Kendall representatives may be reached at 1-888-799-4757 or via email goldenkrustcs@claytonkendall.com. Clayton Kendall provides comprehensive branded merchandise programs for franchise communities nationwide. Services include graphic design, merchandising, sourcing and logistics.

Except as described above, neither Golden Krust nor its affiliates currently derive revenue or other material consideration as a result of required purchases or leases. There currently are no purchasing or distribution cooperatives. Golden Krust has negotiated rebate programs from certain vendors whereby these vendors agree to contribute a certain percentage of franchisee revenues to the Golden Krust Advertising Fund or to Golden Krust. Golden Krust currently has the right at some point in the future to negotiate purchase arrangements with suppliers for the benefit of franchisees, and/or to derive revenue or other material consideration as a result of required purchases or leases, but intends to do so only if there will be a net cost savings to franchisees from the particular arrangement.

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Item 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement 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 Franchise Agreement	Disclosure Document Item
(a) Site Selection and acquisition/lease	II	Items 7 and 11
(b) Pre-opening purchases/leases	II	Item 8
(c) Site development and other pre-opening requirements	II	Items 6, 7 and 11
(d) Initial and ongoing training	IV	Item 11
(e) Opening	II(E)	Item 11
(f) Fees	III; IX	Items 5, 6 and 7
(g) Compliance with standards and policies/Brand Standards Manual	I; II(C)(D); IV(C); VIII	Item 11
(h) Trademarks and proprietary information	V; VI	Items 13 and 14
(i) Restrictions on products/services offered	VIII	Items 11 and 16
(j) Warranty and customer service requirements	VIII(A)(13)	
(k) Territorial development and sales quotas	I(D)	Item 12
(l) On-going product/service purchases	VIII(A)(3)(4)	Item 8
(m) Maintenance, appearance and remodeling requirements	II(C)(D); VIII(A)(1)(2)I(E)	Items 11 and 16
(n) Insurance	II(E)(4); VIII(A)(12)	Items 7 and 8
(o) Advertising	IX	Items 6, 7 and 11
(p) Indemnification	XV(B)	Item 6

(q) Owner's participation/management/staffing	VII; VIII(A)(8)	Items 11 and 15
Obligation	Section in Franchise Agreement	Disclosure Document Item
(r) Records/reports	XI	
(s) Inspections/audits	XII	Item 6
(t) Transfer	XIII	Item 17
(u) Renewal	I(E)	Item 17
(v) Post-termination obligations	XIV	Item 17
(w) Non-competition	VII; XIV(D); XV	Item 17
(x) Dispute resolution	XVII(E)(F)	Item 17
(y) Other obligations- Members/Shareholders/Spousal Guarantees	I(C)(4); Guaranty	Item 15

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Item 10

FINANCING

Golden Krust does not offer direct or indirect financing. Golden Krust does not guarantee your note, lease or obligation.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, Golden Krust is not required to provide the Franchisee with any assistance.

Before you open the Restaurant, Golden Krust will:

1. Provide you with its site selection criteria for the Restaurant. This site must meet Golden Krust's criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other businesses, the nature of other businesses in proximity to the site and other commercial characteristics, and the size, appearance and other physical characteristics of the proposed site. Golden Krust will approve or disapprove a location you propose for the Restaurant within thirty (30) days after it receives the complete site report and other materials it requests. If we and you cannot agree upon a site within one (1) year of your signing our Franchise Agreement, your initial franchise fee will be forfeited. (Franchise Agreement – Section 11(A))

2. Furnish you with mandatory and suggested specifications and layouts for your restaurant, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings and color scheme. (Franchise Agreement – Sections II(C)(D))

3. Assist you, at your request, in developing the Restaurant by recommending contractors (which may include Golden Krust and/or its affiliates) and architects and otherwise furnishing information to assist you in developing the Restaurant in accordance with Golden Krust's specifications. If Golden Krust or an affiliate serves as the contractor to build-out your Restaurant, it will, at your cost, obtain permits, licenses and architectural plans for the Restaurant, construct improvements and decorate the Restaurant according to GK's standards and specifications, equip the Restaurant and purchase an opening inventory of products and supplies. (Franchise Agreement – Section II(C))

4. As discussed in Item 8, identify the fixtures, furnishings, equipment (including cash registers, facsimile machines and computer hardware and

software) signs, food, products, materials and supplies necessary for the Restaurant to begin operations, the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be purchased or leased (including Golden Krust and/or its affiliates. (Franchise Agreement – Section II(D))

5. Loan you one copy of the Brand Standards Manual. The Brand Standards Manual contains mandatory and suggested specifications, standard operating procedures and rules that GK prescribes from time to time. A copy of the Table of Contents of the Brand Standards Manual is attached to this Disclosure Document as Exhibit F. The current edition of the Brand Standards Manual consists of approximately 500 pages. (Franchise Agreement – Section IV(C))

6. Assist you in implementing the grand opening advertising and promotional program for the Restaurant. (Franchise Agreement – Section IV(B))

7. Train you (or your managing owner), and one managerial employee. (Franchise Agreement – Section 11(A))

During your operation of the Restaurant, Golden Krust will:

1. Advise you from time to time regarding the operation of the Restaurant based on reports you submit or inspections Golden Krust makes. In addition, Golden Krust will provide guidance to you on standards, specifications and operating procedures and methods used by Golden Krust; purchasing required fixtures, furnishings, equipment, signs, products, materials and supplies; advertising and marketing programs; employee training; and establishing/assisting with administrative, bookkeeping and accounting procedures. This guidance will, at Golden Krust's discretion, be furnished in its Brand Standards Manual, bulletins or other written materials and/or during telephone consultations and/or consultations at Golden Krust's office or the Restaurant. Golden Krust may offer ongoing training programs which you may attend, but are not required to attend. No assistance is provided in hiring franchisee's employees or establishing price. (Franchise Agreement – Sections IV(B); IV(C))

2. Loan you one copy of the Brand Standards Manual, consisting of such materials that Golden Krust generally furnishes to franchisees for use

in operating your restaurant. The Brand Standards Manual contains mandatory and suggested specifications, standards, operating procedures and rules ("System Standards") that Golden Krust prescribes from time to time. The Brand Standards Manual may be modified periodically to reflect changes in System Standards. (Franchise Agreement – Section IV(C))

3. Issue, modify and supplement System Standards for Golden Krust Caribbean Restaurants. Golden Krust may periodically modify Systems Standards, which may accommodate regional or local variations as Golden Krust determines, and these modifications may obligate you to invest additional capital in the Restaurant and/or incur higher operating costs. However, these modifications will not alter your fundamental status and rights under the Agreement. (Franchise Agreement – Section IV(C))

4. Inspect and observe the operations of the Restaurant from time to time to assist you in complying with the Franchise Agreement and all System Standards. (Franchise Agreement – Section IV(B))

5. Maintain and administer an advertising fund (the "Advertising Fund)). You are obligated to contribute to the Advertising Fund such amounts that Golden Krust prescribes from time to time (see Item 6). Golden Krust and its affiliates are not obligated to contribute to the Advertising Fund. (Franchise Agreement – Section IX)

<u>Premises</u>

A vast majority of GK are owned by third party Landlords.

<u>Time to Open</u>

Golden Krust estimates that there will be an interval of three (3) to nine (9) months between the execution of the Franchise Agreement and the opening of the Restaurant, but the interval may vary based upon such factors as the location and condition of the site, the size of your restaurant, construction schedule for the Restaurant, the extent to which an existing location must be upgraded or remodeled, the delivery schedule for equipment and supplies, delays in securing financing arrangements and completing training and your compliance with local laws and regulations. You may not open the Restaurant for business until: (1)

Golden Krust approves the Restaurant as developed according to its specifications and standards; (2) pre-opening training has been completed to Golden Krust's satisfaction; (3) the initial franchise fee and all other amounts then due to Golden Krust have been paid; and (4) Golden Krust has been furnished with copies of all required insurance policies, or such other evidence of insurance coverage and payment of premiums as Golden Krust requests. You must open the Restaurant for business within 180 days after we have approved your site and five (5) days after Golden Krust notifies you that the Restaurant is ready to open. (Franchise Agreement – Section II(E)).

Computer System

Prior to opening, you are required to purchase Clover Point of Sale Hardware and Software consisting of 2 Clover POS workstations (Lan/Ethernet) integrated credit card processing services using Clover merchant services partners. You will also be required to purchase the Clover monthly support system at $49.00 per month along with the multi store reporting app at $4.99 per month. We must maintain independent access to the information or data generated by your Point Of Sale System. The name and address of our approved supplier is First Data, 101 Hudson St, Jersey City, NJ 07302: Phone number (908) 216- 8430. You may also be required to purchase the following: QuickBooks Accounting (Online version); Ethernet local area network (LAN). We may require that you update or replace this point of sale system.

Training

Before the Restaurant's opening, Golden Krust will provide initial training on the operation of the Restaurant to you (or your managing owner) and one managerial employee. The two of you must complete the initial training to Golden Krust's satisfaction. You also must participate in all other activities required to open the Restaurant. Although there are no additional fees for this training, you are responsible for all travel and living expenses which you and your employees incur in connection with training. If you (or your managing owner) are unable to complete initial training to Golden Krust's satisfaction, Golden Krust can terminate the Franchise Agreement. (Franchise Agreement – Section IV(A))

Initial training in the Golden Krust system, including selection of equipment and suppliers, cooking processes, merchandising, marketing, accounting, and basic management shall be provided by us for each person whose signature is on the franchise agreement and one (1) person designated as an employee/manager at times and places we shall designate.

Golden Krust expects that training will be conducted for you and your personnel after the Franchise Agreement has been signed and while the Restaurant is being developed. This training will be conducted at our training facility in Bronx, New York as well as in your restaurant after opening. Golden Krust will provide one week classroom training; one week in store training at another functioning restaurant; and one week in store training at the Franchisee's location during its opening. Golden Krust plans to be flexible in scheduling training to accommodate its personnel, you and your personnel. There currently are no fixed (i.e., monthly or bi-monthly) training schedules. Golden Krust will provide the following training:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Personnel	3	1 hr.	GK training facility in Bronx, NY or on site
Pre-Opening & Administration	5	1 hr.	GK training facility in Bronx, NY or on site
Operations	16	24 hrs.	GK training facility in Bronx, NY or on site
Customer Service	4	5 hrs.	GK training facility in Bronx, NY or on site
Food Preparation	2	12 hrs.	GK training facility in Bronx, NY or on site
Inventory Control	1	3 hrs.	GK training facility in Bronx, NY or on site
Sanitation and Safety	2	1 hr.	GK training facility in Bronx, NY or on site
Total Hours	33	47 hrs	

It is the nature of the Restaurant business that all aspects of training are integrated, that is, there are no definitive starting and stopping times.

All of the instructors have been working for Golden Krust and have concentrated in the areas they will be teaching. The following is a listing of areas taught and the experience of the instructor(s):

Restaurant Operations:	10 years GK Service	22 years Industry Service
Personnel:	5 years GK Service	6 years Industry Service
Customer Service/Operations:	5 years GK Service	11 years Industry Service
Sanitation & Safety/ Inventory Control:	5 years GK Service	23 years Industry Service
Inventory Control	5 years GK Service	10 years Industry Service
Food Preparation	22 years GK Service	22 years Industry Service
Pre-Opening/Administration	15 years GK Service	15 years Industry Service

Some states and municipalities also may require separate training in sanitation and safety laws before permitting the Restaurant to open. You should check your state and local laws.

The Golden Krust instructional material is contained in our Brand Standards Manual, issued to every Franchisee at the signing of the Franchise Agreement. It covers a standardized curriculum aimed at satisfying the everyday operational needs of Franchisees and their teams. The Brand Standards Manual package consists of: Pre-opening Manual; Personal Manual; Employee Handbook; Operations Manual; Marketing Manual; Recipe Manual; Franchisee/Manager Training Guide; Food Safety Workshop Manual; Basic Accounting; and Design and Construction Manual.

The training is delivered through a standardized curriculum of 7 progressive modules. Modules 1 and 2 are generic and are relevant to all levels of staff and include: Franchising-fundamentals of compliance and consistency system-wide; GK Employee Standards, Rules & Regulations; Basic Food Safety.

Modules 3 – 7 are job specific and include: cash handling and computer systems; products; restaurant operations; accounts; compliance; marketing; food preparation and food service.

A Franchisee who signs and whose restaurant is not opened within the 6-9 month period after signing the Franchise Agreement will need to be taken back through the Pre-opening, and store operations training.

Excellent support systems are offered to our Franchisees including training. Ongoing support is provided before and after you open your restaurant. Refresher training is ongoing as staff changes and as new systems, products and procedures are added. The Brand Standards Manual package will continue to be updated and will be used as a guide for training.

Advertising and Development Fund

Golden Krust does not have an advertising council. Golden Krust will direct all programs financed by; the Advertising Fund, with sole discretion over the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation of the programs. The Advertising Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies to provide assistance; and supporting public relations, market research and other advertising, promotion and marketing activities. The Advertising Fund periodically will furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials will be furnished to you at Golden Krust's direct cost of producing them, plus any related shipping, handling and storage charges.

The Advertising Fund will be accounted for separately from Golden Krust's other funds and will not be used to defray any of GK's general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as Golden Krust's may incur in activities related to the administration of the Advertising Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion, and marketing materials and collecting and accounting for contributions to the Advertising Fund. Golden Krust may spend, on behalf of the Advertising Fund, in any fiscal year an amount greater or less than the aggregate contribution of franchisees to the Advertising Fund in that year, and the Advertising Fund may borrow from Golden Krust or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Advertising Fund will be used to pay advertising costs before other assets of the Advertising Fund are expended. Golden Krust will prepare an annual statement of monies collected and costs incurred by the Advertising Fund and furnish it to you upon written request. Golden Krust has the right to cause the Advertising Fund to be incorporated or operated through a separate entity at such time as it deems appropriate, and the successor entity will have all of the rights and duties described here. In 2017, 81.90% of the Advertising Fund was used for advertising and promotion; 17.02% of the Advertising Fund was used for design and production; and 1.08% of the Advertising Fund was used for administration. The Advertising Fund is audited and the annual audit was conducted in March 2018 of this fund.

The Advertising Fund is intended to maximize recognition of the Marks and patronage of all of our Golden Krust Caribbean Restaurants. Although Golden Krust will endeavor to utilize the Advertising Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all franchisees, Golden Krust undertakes no obligation to ensure that expenditures by the Advertising Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Advertising Fund by our franchisees operating in that geographic area or that any of our franchisees will benefit directly or in proportion to its contribution to the Advertising Fund from the development of advertising and marketing materials or the placement of advertising. 100% of the Advertising Fund expenditures will be used for the promotion of Franchisee sales and none of the funds are used to solicit new franchise sales. Golden Krust assumes no other direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the Advertising Fund.

Golden Krust does not require advertising cooperatives to be formed, changed, dissolved or merged.

Golden Krust reserves the right to defer or reduce contributions of a franchisee and, upon thirty (30) days' prior written notice to you, to reduce or suspend contributions to and operations of the Advertising Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Advertising Fund. If the Advertising Fund is terminated, all unspent monies on the date of termination will be distributed to franchisees in proportion to their respective contributions to the Advertising Fund during the preceding twelve (12) month period.

All advertising, promotion and marketing must be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which Golden Krust prescribes from time to time. You may prepare your own advertising materials, however, samples of all advertising, promotional and marketing materials that Golden Krust has not prepared or previously approved must be submitted for approval before you use them. If you do not receive written disapproval within fifteen (15) days after Golden Krust receives the materials, GK will be deemed to have given the required approval. You may not use any advertising, promotional materials or web-based advertising that Golden Krust has disapproved. (Franchise Agreement – Section IX) (See Items 6, 8 and 9)

Except as disclosed above, there are no other Advertising Funds that you must participate in.

GK advertises locally, regionally and in all states where GK sells products. GK uses various forms of media, however mostly local television and radio stations to conduct advertisements. The source of the advertising is local advertisers GK contracts with. GK undertakes no obligation to spend any certain amount on advertising in the area or territory where franchisee is located.

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Item 12

TERRITORY

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. The franchise is granted to you for a specific location only that first must be approved by Golden Krust. Except for that location (the "premises") Golden Krust does not grant exclusive territories. You are not granted options, rights of first refusal or similar rights to acquire additional franchises within the territory or contiguous territories. Once you locate and Golden Krust has approved a site, GK will not establish or grant to a franchisee the right to establish another Golden Krust Caribbean Bakery & Grill, Golden Krust Caribbean Restaurant or Golden Krust Drive-Thru at that site so long as your Franchise Agreement is in effect. You may not operate the Restaurant at any other site without Golden Krust's prior written consent. If Golden Krust consents to the Restaurant's relocation, Golden Krust may charge you for the expenses it incurs in connection with the relocation. There are no restrictions as to where you solicit or accept orders.

During site section the following factors are taken into consideration: (1) area; (2) neighboring businesses; (3) demographics; (4) visibility; (5) accessibility; (6) zoning; and (7) ideal dimensions. A general site profile we are looking for is as follows: (1) 200,000 residential population within a 4-mile radius; (2) 10,000 daytime/workplace population within 1 square mile; (3) vehicular traffic of 20,000 per day; (4) median household income of $50,000 per year; (5) average age of 38 years old.

Golden Krust (and its affiliates) have the right:

(a) to establish and grant to other franchisees the right to establish, Golden Krust Caribbean Bakery & Grill/Golden Krust Caribbean Restaurant traditional restaurants and Golden Krust Drive-Thru restaurants anywhere other than your site on such terms and conditions it deems appropriate;

(b) to sell products identified by the Marks through distribution channels other than Golden Krust Caribbean Bakery & Grill/Golden Krust Caribbean Restaurant traditional restaurants and Golden Krust Drive-Thru restaurants (including, but not limited to, institutional customers of Golden Krust such as schools, prisons, club stores, gas stations, convenience stores and/or grocery stores).

Golden Krust has not established and does not intend to establish other franchises or Company-owned bakeries selling similar products or services under a different trademark. However, neither Golden Krust nor its affiliates are restricted from establishing other franchises or company owned outlets or other channels of distribution selling or leasing similar products or services under a different trademark.

Golden Krust and/or its affiliates will not compensate the franchisee if either sells similar products/services through other channels of distribution under the same and/or different trademark within the franchise territory.

GK is not required to pay any compensation to franchisee for soliciting and/or conducting business within franchisee's territory.

If a franchisee encounters distress during their period of operations GK will provide support to ensure all options are explore and implemented to rectify the situation, including discontinuation of royalty collection, marketing push, free product, customer appreciation, etc. If the franchisee chooses to close the location because of poor sales and/or decreases in revenue, the franchisee can either choose to sell the store or close the store permanently. If the franchisee has the appropriate financials to build out a new location, GK may approve such location as long as the franchisee still passes GK's financial requirements of $500,000 net worth/$150,000 liquid.

Item 13

TRADEMARKS

The following is a listing of trademarks registered in the United States (Section A), United Kingdom (Section B), Barbados (Section C), Cayman Island (Section D), Jamaica (Section E), Trinidad & Tobago (Section F), Virgin Island – British (Section G), and the allowed trademark application in Canada (Section H). The marks that are the subject of the applications and registrations shall be referred to herein as the "Golden Krust Marks". Golden Krust grants its Franchisees the right to use in their respective jurisdictions appropriate Golden Krust Marks in operating Golden Krust Caribbean restaurants. To the extent required, Golden Krust has filed the necessary affidavits to keep these registrations in effect.

UNITED STATES – Registered Marks

(Word Mark) GOLDEN KRUST PATTIES	IC 030 Goods and services-Meat. chicken, seafood and vegetable turnovers. FIRST USE: August, 1993 REGISTERED NO. 2651784 REGISTERED-PRINCIPAL-2(F) of the USPTO Renewed.
(Word and Design Mark) GOLDEN KRUST PATTIES, INC. "HOME OF THE WORLD'S BEST PATTIES!"	IC 029 Meats and Processed Foods – Food patties, namely beef, chicken, vegetable, shrimp, callaloo, soya and meatloaf. FIRST USE: August, 1993 REGISTERED NO. 2007993 REGISTERED-PRINCIPAL
(Design Mark)	IC 030 Staple foods - meat, vegetable, soy and seafood filled pies and/or pastries.

	FIRST USE: August, 1993 REGISTERED NO. 2108240 REGISTERED-PRINCIPAL of the USPTO renewed.
(Word Mark) "HOME OF THE WORLD'S BEST PATTIES!"	IC 030 Staple Foods - meat, chicken, seafood and vegetable filled pies. FIRST USE: August 01, 1993 REGISTERED NO. 2094259 REGISTERED-PRINCIPAL-2-(F) of the USPTO renewed.
(Word and Design Mark) GOLDEN KRUST CARIBBEAN BAKERY & GRILL	IC 043 Temporary Lodging, food and Drink Services, restaurant services featuring Caribbean style foods. FIRST USE: January, 1990 REGISTRATION NO. 2994753 Registered – Principal of the USPTO renewed.
(Word Mark) "GOLDEN KRUST"	IC 035 Advertising and Business - -Restaurant franchising; franchising, namely consultation and assistance in business management, organization and promotion; franchising, namely, offering

technical assistance in the establishment and/or operation of restaurants.
FIRST USE: January, 1995
REGISTERED NO. 2966992
REGISTERED-PRINCIPAL-2-(F) of the USPTO renewed.

The following international marks are not required to be disclosed herein, but are done so to ensure complete disclosure.

UNITED KINGDOM – Registered Marks

(Word and Design Mark)
GOLDEN KRUST CARIBBEAN BAKERY & GRILL

Status: Registered
UK002364926
Filed: June 4, 2004
Goods and Services include: meat, fish, poultry and game; meat, fish, poultry and vegetable patties; meat extracts; preserved, dried and cooked fruits and vegetables; milk and milk products; prepared meals and pies; coffee, tea, rice, tapioca, sago, flour and preparations made from cereals, bread, cakes, pastry and confectionary; ice cream; sauces (condiments), marinades; spices, prepared meals; all for sale in England, Scotland and Wales; franchise services; business assistance relating to the establishment of

franchises; provision of the assistance (Business) in the operation of franchises; the bringing together, for the benefit of others, a variety of goods, enabling customers to conveniently view and purchase those goods in a food store, all for the services provided in England, Scotland and Wales; restaurants and restaurant services; services for the providing of food and drink; food and beverage take away services; catering services.

BARBADOS – Registered Marks

(Word and Design Mark) GOLDEN KRUST CARIBBEAN BAKERY & GRILL	IC 043 Restaurants and restaurant services; services for the providing of food and drink; food and beverage take away services; catering services REGISTRATION NO. 2364926

CAYMAN ISLANDS – Registered Marks

(Word and Design Mark) GOLDEN KRUST CARIBBEAN BAKERY & GRILL	IC 043 Restaurants and restaurant services; services for the providing of food and drink; food and beverage take away services; catering services

REGISTRATION NO. 2364926

JAMAICA - Registered Marks

(Word and Design Mark)
GOLDEN KRUST CARIBBEAN BAKERY & GRILL

IC 29, 30, 35, and 43 goods and services: food patties, namely beef, chicken, vegetable, shrimp, callaloo, soya and meatloaf. Meat, chicken, soy, seafood and vegetable turnovers, filled pies and/or pastries. restaurant franchising; franchising, namely consultation and assistance in business management, organization and promotion; franchising, namely, offering technical assistance in the establishment and/or operation of restaurants. Restaurant Services Restaurants and restaurant services; services for the providing of food and drink; food and beverage take away services; catering services

Date of Filing: 11/18/05
REGISTRATION NO. 47,656

TRINIDAD AND TOBAGO – Registered Marks

(Word and Design Mark) GOLDEN KRUST	IC 042 Restaurant services Date of filing: 12/7/05 REGISTRATION NO. 36682

VIRGIN ISLANDS (British) – Registered Marks

(Word and Design Mark) GOLDEN KRUST CARIBBEAN BAKERY & GRILL	IC 043 Restaurants and restaurant services; services for the providing of food and drink; food and beverage take away services; catering services REGISTRATION NO. 2245

CANADA – Pending Application

(Word and Design Mark) GOLDEN KRUST CARIBBEAN BAKERY & GRILL	Status: Allowed CA122238200 Filed: June 28, 2004

Golden Krust CARIBBEAN BAKERY & GRILL	Goods: Takeout food namely pies, pastries, breads, beef, chicken, seafood, vegetables, vegetable pies, vegetable patties, shrimp, callaloo, soy pies, soy patties, meatloaf pies, and meatloaf patties. Clothing namely t-shirts, sweatshirts, hats and aprons. Services include: Restaurant services, bakery and grill services, take-out restaurants, and delivery of food by restaurants. Restaurant Franchising, Franchising, namely, offering technical assistance in the establishment and operation of restaurants, and business assistance relating to the establishment of franchises.

INFRINGEMENT

(a) We will take whatever administrative or legal action we deem necessary to protect our trademarks and other intellectual property and your rights to use them under the terms of your Franchise Agreement.

(b) As per the Franchise Agreement, you must immediately notify us of any potential infringement of our trademarks, including claims of rights to any confusingly similar trademarks.

(c) Upon notification of any such infringement, use or claim of rights to one of our trademarks, we will undertake an investigation of the claim or use. While we will protect and defend our marks and your right to use them, we have the sole right to determine what action, if any, is to be taken to protect these rights.

(d) Any legal action we take to defend your rights to use our trademarks in accordance with the terms of your Franchise Agreement will be at our sole expense and we will retain the sole right to control any such legal actions or proceedings we undertake.

(e) While not required to participate in your defense or to indemnify you if you become a party to an administrative or judicial proceeding involving a trademark which you are licensed to use under the terms of the Franchise Agreement, we will take whatever action we deem necessary on your behalf and at our sole expense to protect our trademarks and your rights to use them in accordance with the terms of your Franchise Agreement.

(f) Your rights against Golden Krust in the event that we require you to modify or discontinue use of any of our trademarks as a result of an administrative proceeding, legal proceeding or settlement are limited to our reimbursing you for the costs you incur, if any, to change signage, menu boards or any paper products that bear the affected trademark.

POSSIBLE EXISTING SENIOR USERS

(i) There was a trademark registration for “Golden Krust” for bread, buns, and rolls on the Federal Register Re. No. 1892282 owned by W. E. Long of Chicago, Illinois from May 2, 1995 until January 10, 2005. The registration was canceled on January 10, 2005 for failure to file a statement of continuing use.

(ii) There was a trademark registration for “Golden Krust” for restaurant services on the Federal Register No. 1178672, owned by Golden Krust Bakery, Inc of Cohoes, NY from November 17, 1981 to June 21, 1988. The registration was canceled on June 21, 1988 for failure to file a statement of continuing use. Golden Krust Bakery Inc. of Cohoes, NY was made aware of use of “Golden Krust”, by Golden Krust Patties, Inc. and its licensees and has acquiesced in such use of “Golden Krust”.

(iii) Other than those previously listed above, Franchisor knows of no other superior prior rights or infringing uses that could materially affect the Franchisee's use of the principal trademarks in the state where the franchised business will be located.

LICENSES

Golden Krust has been granted permission by Golden Krust Patties, Inc. the owner the Golden Krust marks, to use and sub-license the Golden Krust Marks in the United States, Canada and in the UK. The license is worldwide and exclusive to Golden Krust and related entities and is for a perpetual term.

a. MISCELLANEOUS

(i) There are currently no effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board or any state trademark administration or court, nor any pending infringement, opposition or cancellation proceedings.

(ii) There is no pending federal or state court litigation regarding Golden Krust's use or ownership rights in any trademark

(iii) There are currently no effective agreements that limit Golden Krust's right to use or license the use of trademarks listed in this section.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents associated with this Franchise.

Golden Krust claims copyrights in the Brand Standards Manual, advertising materials, and related items used in operating the franchise. These copyrights have not been registered with the United States Register of Copyrights.

The Brand Standards Manual, which is described in Item 11, and other materials Golden Krust possesses contain Golden Krust's confidential information. This information includes site selection criteria, recipes, methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge of experience in developing and operating Golden Krust Restaurants.

All ideas, concepts, techniques, materials, or methods relating to Golden Krust Restaurants, whether or not constituting protectable intellectual property and whether created by or on behalf of you or your owners, must be promptly disclosed to Golden Krust.

Any intellectual property derived from these concepts, techniques, materials, or methods will be considered to be works made for hire for Golden Krust. You must assign to Golden Krust all rights in any intellectual property derived from concepts, techniques, materials or methods developed within the scope of operating under this franchise agreement.

You may not use Golden Krust's confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others.

There currently are no effective determinations by the Copyright Office or by any court regarding the copyright in franchise materials. Furthermore, there are no agreements in place that limit Golden Krust's rights to use or authorize you to use the copy righted materials. Furthermore, there are no infringing uses actually known to Golden Krust which could materially affect your use of the copyrighted materials in any state.

Golden Krust is not required by an agreement to protect or defend its copyrights or confidential information, although it intends to do so when this action is in the best interests of the Golden Krust Restaurant system.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times faithfully, honestly and diligently perform your obligations under the Franchise Agreement, continuously exert your best efforts to promote and enhance the Restaurant and not engage in any other business or activity that conflicts with your obligations to operate the Restaurant in compliance with the Franchise Agreement. System Standards may regulate staffing levels for the Restaurant, other matters relating to managing the Restaurant, communication to GK of the identities of the Restaurant's personnel and qualifications, training, dress and appearance of employees. You (or your managing owner) are obligated to participate personally in the direct operation of the Restaurant, although you may employ a manager to assist you in the Restaurant's day-to-day operations. Your manager must have completed Golden Krust's initial training satisfactorily. This manager need not have an equity interest in the Restaurant, but must agree in writing to preserve the confidentiality of any confidential information to which he or she has access.

If you are a corporation, limited liability company or limited partnership, your owners and their spouses must not only personally guarantee your obligations under the Franchise Agreement but also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. This "Guaranty and Assumption of Obligations" is attached to the Franchise Agreement.

If you are an individual and if you have a spouse, your spouse will be required to sign the Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all products and perform all services that Golden Krust requires from time to time for Golden Krust Caribbean Restaurants. You may not offer for sale any products or perform any services that Golden Krust has not authorized. (See Items 8 and 9) Golden Krust's System Standards may regulate required or authorized products, product categories and supplies. Golden Krust has the right to change the types of required and/or authorized goods and services from time to time. There are no limits on Golden Krust's right to do so, except that Golden Krust will not require you to invest additional capital in the Restaurant if the investment cannot, in Golden Krust's reasonable judgment, be amortized during the remaining term of the Franchise Agreement, unless Golden Krust agrees to extend its term so that the investment can be amortized or unless the investment is necessary to comply with applicable laws.

Golden Krust will give you thirty (30) days to comply with capital modifications it requires, but, if the capital modification requires an expenditure of more than $10,000, Golden Krust will give you sixty (60) days to comply. You are obligated to comply with all modifications to System Standards, other than capital modifications, within the time period GK specifies. In no event will Golden Krust require you to spend more than $100,000 during the term of the Franchise Agreement in connection with System Standard modifications.

There are no franchisor-imposed restrictions or conditions that limit access to customers.

<u>Item 17</u>

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
(a) Length of the Franchise Term	Section I.D	10 years or term of lease
(b) Renewal or Extension of the term	Section I	If you are in good standing, you may renew your franchise on GK then current terms
(c) Requirements for Franchisee to renew or extend	Section I.E	Not in default of current franchise agreement. Maintain premises or secure substitute premises, remodel; By executing GK's then current franchise agreement which may contain materially different terms and conditions from your original franchise agreement.
(d) Termination by Franchisee	Section XIII.A	If GK breaches agreement and does not cure default after notice from you. You may also terminate the agreement on any grounds available by law.
(e) Termination by franchisor without cause	None	
(f) Termination by Franchisor with cause	Section XIII.B	GK can terminate only if you commit one of several violations
(g) "Cause" defined-curable defaults	Section XIII.B	You have 3 days to cure health, safety or sanitation law violations; 10 days to cure monetary defaults;

		30 days to cure other defaults not listed in Section XIII.B
Provision	Section in Franchise Agreement	Summary
(h) "Cause" defined-non-curable defaults	Section XIII.B	Non-curable defaults include failure to complete training, failure to open the Restaurant within 180 days, abandonment, unapproved transfers, material misrepresentations, conviction of a felony, dishonest or unethical conduct, loss of the premises, unauthorized use or disclosure of the Brand Standards Manual or confidential information, failure to pay taxes, repeated defaults (even if cured), an assignment for the benefit of creditors and an appointment of a trustee or receiver
(i) Franchisor's obligations on termination/non-renewal	Section XIV	Obligations include payment of outstanding amounts, complete deidentification and return of confidential information (also see (r) below)
(j) Assignment of contract by Franchisor	Section XII.A	No restriction on GK's right to assign. However, no assignment will be made except to an assignee who, in the good faith and judgment of the Franchisor, is willing and financially able to assume the Franchisor's obligations under the Franchise Agreement.

(k) "Transfer" by Franchisee-defined	Section XIII.B	Includes transfer of Franchise Agreement or assets or ownership change
(l) Franchisor approval of transfer by Franchisee	Section XIII.C	GK has the right to approve all transfers
Provision	Section in Franchise Agreement	Summary
(m) Conditions for Franchisor approval of transfer	Section XIII.C	New franchise qualifies, you pay GK all amounts due, training completed, transferee assumes your agreement, transfer fee paid, GK approves material terms, you subordinate amounts due to you, you de-identify yourself and you sign other documents GK requires (also see (r) below)
(n) Franchisor's right of first refusal to acquire Franchisee's business	Section XIII.G	GK can match any offer for your business or an ownership interest in you.
(o) Franchisor's option to purchase Franchisee's business	Section XII.E	GK has option to buy the Restaurant at fair market value after termination (but not expiration) of the agreement
(p) Death or disability of Franchisee	Section XIII.E	Franchise or an ownership interest in you must be assigned to an approved buyer within months
(q) Non-competition covenants during the term of the franchise	Section VII	No controlling ownership interest in, or performance of services for, competitive business anywhere
(r) Non-competition covenants after the franchise is terminated or expires	Section XV.D	No interest in competing business for 2 years at, or within 25 miles of premises of Restaurant or within 5 miles of any other Golden Krust

		Restaurant (same restrictions apply after assignment)
Provision	Section in Franchise Agreement	Summary
(s) Modification of the agreement	Section XVI.G	No modifications generally but Brand Standards Manual and System Standards are subject to change. Revisions to the Manual will not unreasonably affect the Franchisee's obligations, including economic requirements, under the Franchise Agreement
(t) Integration/Merger clause	Section XVII.H	Only the terms of the Franchise Agreement (including the Brand Standards Manual) are binding (subject to state law). Any other promises may not be enforceable. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim GK's representations made in the Franchise Disclosure Document
(u) Dispute resolution by arbitration or mediation	Section XVII.E	Except for certain claims, all disputes must be arbitrated in White Plains, New York (subject to state law)
(v) Choice of forum	Section XVII.F	Arbitration may be in New York. See Amendment to Franchise Agreement and Franchise

		Disclosure Document for the State of Illinois attached to the Franchise Disclosure Document
(w) Choice of law	Section XVII.F	New York law applies (subject to state law)

Prospective Maryland Franchisees: Pursuant to COMAR 02.02.0816L, the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.). Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

Item 18

PUBLIC FIGURES

Golden Krust does not use any public figure to promote its 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.

The Financial Performance Representation in the Table below is an historic financial performance representation based on existing (traditional) Golden Krust Caribbean Bakery and Grill Restaurants/Golden Krust Caribbean Restaurants. As of the date of this Disclosure Document, there have been no sale of the Golden Krust Drive-Thru Restaurants and hence we make no representations whatsoever concerning this new concept's potential or actual performance.

The information included in the Table below is based on reports submitted to us by 65 fully-reporting franchised (traditional) Golden Krust Caribbean Bakery and Grill Restaurants located in the United States that were operated for the entire 2017 Fiscal Year. There were 45 stores that either were not opened or fully operating for the entire fiscal year that were not included in the Financial Performance Representation Table. The Table does not include any company-owned or affiliate-owned stores. There are no franchised Golden Krust Caribbean Bakery and Grill Restaurants that either opened or closed during the 2017 Fiscal Year, or restaurants that failed to submit all 52 weeks of reporting during the 2016 Fiscal Year that are included in the information contained in this Table. The information was collected by us, but has not been independently audited or verified.

TABLE

Gross Revenues[1] of Golden Krust Caribbean Bakery and Grill Franchised Restaurants/Golden Krust Caribbean Restaurants (Traditional) By Quartile for 2017 Fiscal Year

Quartile	Gross Revenue Range	Stores Represented	Median	Average
1st	$1,143,834 - $2,541,743	16	$1,631,835.00	$1,671,713.00
2nd	$711,968 - $1,104,560	16	$926,107.00	$934,016.00
3rd	$587,490 - $702,105	16	$626,121.00	$639,151.00
4th	$328,827 - $577,942	16	$430,756.00	$455,812.00

Some outlets have sold or earned this amount. Your individual results may differ. There is no assurance you'll sell or earn as much.

Material Bases and Assumptions

The Franchised Restaurants represented in the Table above are substantially similar to the Golden Krust Caribbean Bakery and Grill Restaurants/Golden Krust Caribbean Restaurants traditional restaurants being offered to you. The Restaurants represented in the Table above are significantly different than the Golden Krust Drive-Thru.

The Golden Krust Caribbean Bakery and Grill Restaurants/Golden Krust Caribbean Restaurants traditional restaurants are primarily in-line locations in the Metropolitan areas.

[1] "Gross Revenue" is defined in the Franchise Agreement as the entire amount of all gross sales and business receipts, including direct or indirect barter transactions, catering accounts, proceeds of business interruption insurance policies, wholesale accounts (both on and off premises) arising out of the operation of the Restaurant, or through or by means of the business conducted in connection therewith, whether for cash or credit, but excluding: (1) sales, use, or services taxes collected from customers and paid to the appropriate taxing authority; and (2) all bona fide customer refunds and approved rebates, discounts and allowances.

The Gross Revenues are NOT net of costs of goods sold or other operating expenses. We have not provided information regarding costs and expenses because we do not regularly collect that data from franchisees and do not operate enough company-owned Restaurants from which we could present reliable figures.

The financial performance representations in Item 19 do not reflect the cost of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenues figures to obtain your net income or profit. You will incur at least the following expenses, and possibly more: inventory, labor, rent, pre-opening expenses, depreciation and amortization, taxes, insurance, operating expenses, royalty fees to us, advertising fees to us, other fees to us as set forth in the Franchise Agreement, professional fees, bank charges, telephone, repairs. All of your expenses will affect the operating profit, net income and/or cash flow of a traditional Golden Krust Caribbean Bakery and Grill Restaurant/Golden Krust Caribbean Restaurants and should be carefully considered and evaluated.

These financial performance representations do not necessarily reflect the actual Gross Revenues that you may experience. In addition, your results will vary depending on a number of factors which you should consider carefully in evaluating this information and in making any decision to purchase a franchise. These factors include: business skills, motivation, quality, effort, and effectiveness of the individual franchisee and of the franchisee's staff and management; the quality of your customer service; location of your Restaurant; market conditions; weather and climate conditions; the effectiveness of your marketing efforts; the quality and effectiveness of your staff; income and demographic characteristics in your particular market area; the degree and quality of competition in your particular market area; labor and product costs, etc.

Some franchises have earned these amounts. Your individual results may differ. There is no assurance that you will sell as much. A new franchisee's financial results are likely to differ from the results stated in the financial performance representation. Written substantiation for the financial performance representations will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, 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 a Company-owned restaurant, however, we may provide you with the actual records of that restaurant. 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 Omar Hawthorne, Director, Franchise Development, Golden Krust Caribbean Bakery and Grill, 399 Knollwood Road, White Plains, New York 10603, (914) 228-5965.

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Item 20

OUTLETS AND FRANCHISEE INFORMATION
Table No. 1
Golden Krust Caribbean Bakery and Grill (Franchised Traditional Restaurant)
Systemwide Outlet Summary
For Years Ending 12/31/2017, 12/31/2016, and 12/31/2015

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchise Outlets	2015	108	110	+2
	2016	110	116	+6
	2017	116	119	+3
Company-Owned	2015	4	6	+2
	2016	6	7	+1
	2017	7	5*	-2*
Total Outlets	2015	112	116	+4
	2016	116	122	+6
	2017	122	125*	+3*

*Although the number of company-owned outlets decreased, this did not affect the total number of outlets because three company-owned outlets were transferred to franchisees and one outlet was repurchased by the Franchisor.

Table No. 2
Transfers of Golden Krust Caribbean Bakery and Grill (Franchised Traditional Restaurant)
From Franchisees to New Owners
(Other than the Franchisor)
For Years Ending 12/31/2017, 12/31/2016, and 12/31/2015

State	Year	Number of Transfers
NY	2015	0
	2016	3
	2017	1
FL	2015	1
	2016	1
	2017	4
Total	2015	1
	2016	4

	2017	5

Table No. 3
Status of Golden Krust Caribbean Bakery and Grill/Golden Krust Caribbean Restaurant
(Franchised Traditional Restaurant)
For Years Ending 12/31/2017, 12/31/2016, and 12/31/2015*

State	Year	Franchise Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor or transferred	Ceased Operations Other Reasons	Franchise Outlets at End of the Year
NY	2015	68	0	0	0	0	4	64
	2016	64	1	0	0	1	1	64
	2017	64	0	0	0	1	1	63
CT	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	1	0	1
NJ	2015	8	0	0	0	0	1	7
	2016	7	0	0	0	0	0	7
	2017	7	0	0	0	0	0	7
GA	2015	5	4	0	0	0	0	9
	2016	9	3	0	0	0	0	13
	2017	12	2	0	0	0	1	11
FL	2015	21	4	0	0	1	0	24
	2016	24	3	0	0	0	0	27
	2017	27	1	0	0	4	0	28
PA	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
NC	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
MD	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
MA	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1

	2017	1	0	0	0	0	0	1
TX	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	2	0	0	0	0	2
Total	2015	108	8	0	0	1	5	110
	2016	110	7	0	0	0	1	116
	2017	116	5	0	0	6	2	119

*If multiple events occurred affecting a location, this table shows the event that occurred last in time

Table No. 4
Status of Company-Owned Outlets
For Years Ending 12/31/2017, 12/31/2016, and 12/31/2015

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
NY	2015	3	0	0	1	0	2
	2016	2	0	1	0	0	3
	2017	3	0	0	0	1	2
FL	2015	1	2	1	0	0	4
	2016	4	0	0	0	0	4
	2017	4	0	0	0	3	1
CT	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	1	0	0	1
Total	2015	4	2	1	1	0	6
	2016	6	0	1	0	0	7
	2017	7	0	1	0	3	5

Table No. 5
Projected Openings for Upcoming Fiscal Year 2018
Golden Krust Caribbean Bakery and Grill Traditional Restaurants/Drive-Thru

State	Franchised Agreements	Projected New Franchised Outlets in	Projected New Company-Owned

	Signed But Not Opened	The Next Fiscal Year	Outlets in the Current Fiscal Year
CT	0	2	0
NY	1	3	0
NJ	3	3	0
PA	1	1	0
GA	5	5	0
FL	4	7	0
TX	0	2	0
MA	0	1	2
Washington, D.C.	0	1	0
Toronto, Canada	0	0	2
TOTAL	14	23	4

Listing of franchisees that have been transferred, terminated, repurchased, closed or ceased doing business either voluntarily or involuntarily during the past fiscal year.*		
FRANCHISEE	ADDRESS/PHONE NUMBER	STATUS
MODH INC.	7372 W. Atlantic Ave Margate, FL 33063	Transferred
Natasha Hawthorne Please note that this franchisee acquired another location and only ceased doing business at this location.	1905 N Pine Island Park Blvd Plantation, FL 33322	Transferred
Burnett Morrison Garnett Morrison Please note that these franchisees has another location and only ceased doing business at this location.	1170 Albany Ave Hartford, CT 06112	Transferred to company
Patrick Stewart Please note that this franchisee closed this location, but opened at a new location.	2189 Scenic Highway Snellville, GA 30078	Closed and re-opened in new location under new franchise agreement.
Leonie Jenkins	601 8th Ave New York, NY	Closed

*<u>Note:</u> If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Annexed hereto as Exhibit G is a listing of all the names and addresses of all Franchisees.

During the last three (3) fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

There are currently no trademark-specific franchisee organization association associated with Golden Krust's franchise system.

Item 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit “A” are Golden Krust Franchising, Inc.’s financial statements for the current year, fiscal years ending December 31, 2017, December 31, 2016, and December 31, 2015. Our fiscal year end is December 31.

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Item 22

CONTRACTS

The following agreements or documents are attached as exhibits to this Disclosure Document.

1. Audited Financial Statements – Exhibit A

2. Franchise Agreement with Exhibits – Exhibit B

   Exhibit A to Franchise Agreement – You and Your Owners and the GUARANTY AND ASSUMPTION OF OBLIGATIONS
   Exhibit B to Franchise Agreement – Franchise Disclosure Questionnaire
   Exhibit C to Franchise Agreement – Store Location

3. List of State Agencies/Agents for Service of Process – Exhibit C

4. Restaurant Development Agreement – Exhibit D

5. Agreement with Landlord – Exhibit E

6. Table of Contents of Brand Standards Manual – Exhibit F

7. Names and Addresses of Franchisees – Exhibit G

8. Release – Exhibit H

9. Sublease – Exhibit I

10. Store Opening/Transfer Approval Form – Exhibit J

11. Receipt for Confidential Brand Standards Manual Package – Exhibit K

12. RECEIPT Pages – Exhibit L

APPENDIX A (NOT APPLICABLE TO ILLINOIS or MARYLAND)

STATE SPECIFIC CAVEATS

CAVEAT FOR GK/FRANCHISEE RELATIONSHIP STATUTES
(INCLUDING RENEWAL AND TERMINATION RIGHTS)

These states have statutes which may supersede the Franchise Agreement in your relationship with GK including the areas of termination and renewal of your franchise. ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, tit.], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [Rev. Stat. Chapter 121-1/2, Sections 1719-1720], INDIANA [Stat. Section 23-2-2.7], MARYLAND [Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. Section 14-201 et seq. (2015 Repl. Vol.), MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5B], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with GK including the areas of termination and renewal of your franchise. With respect to the franchises governed by Minnesota law, GK will comply with Minnesota Statute 80C.14 subdivisions 3, 4 and 5 which require, except in certain specific cases, that a franchisee be given 90-days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

CAVEAT FOR POST-TERM COVENANTS NOT TO COMPETE

These states have statutes which limit GK's ability to restrict your activity after the Franchise Agreement has ended: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compile Laws Section 445.771 et seq., Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting GK's ability to restrict your activity after the Franchise Agreement has ended.

CAVEAT FOR TERMINATION UPON BANKRUPTCY

A provision in the Franchise Agreement which terminates the franchises upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

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Item 23

RECEIPTS

The last pages of this Franchise Disclosure Document is EXHIBIT L which is a detachable document in duplicate. Please detach, sign, date and return one (1) signed copy of the Receipt to us acknowledging you received this Franchise Disclosure Document. Please keep the second copy for your records.

"GOLDEN KRUST FRANCHISING, INC. REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT."

(Page not applicable to Maryland)