King Mediterrano®

Franchise Disclosure Document

KING MEDITERRANO®

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KING MEDITERRANO FRANCHISING GROUP, INC.
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The franchise offered by this disclosure is a single unit franchise purchase whereby you will develop, own and operate a business as "*Fusion Mediterranean"* inspired dine in and take out restaurant**,** called **KING MEDITERRANO** operating under the Marks and using the System as described in this document, and the Operations Manual. The total estimated required initial investment ranges from $401,000 to $631,000. This amount includes $31,500 to $32,500 that must be paid to the Franchisor or its Affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you can 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:
Sarkis Zakarian, 4354 Redondo Beach Blvd. Torrance, California 90504 PH 310-370-9438

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: January 6, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Attachment C.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Attachment A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only King Mediterrano business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a King Mediterrano franchisee?	Item 20 or Attachment C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Attachment E.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in California. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate, or litigate with the franchisor in California than in your own state.

2. **Short Operating History.** The franchisor is at an early stage of development and has limited operating history. This franchise is likely to be riskier than a franchise in a system with a longer operating history.

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

4. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

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

To simplify this Franchise Disclosure Document, "We" means **KING MEDITERRANO FRANCHISING GROUP, INC.,** the franchisor, or "our" or "us" when appropriate. "You" means the person who buys the franchise. If you are a legal entity, "you" includes all owners of any equity interest in the entity. **"King Mediterrano restaurant"** means the business you will operate under the Franchise Agreement, operating under our Marks and following our System. Your **King Mediterrano restaurant** will sometimes be referred to as your business or your franchise herein and in the Franchise Agreement.

We were incorporated in California on **February 6, 2023**. Our principal business address is 4354 Redondo Beach Blvd., Torrance, California 90504. We conduct business under the name **King Mediterrano** and do not do business under any other name.

We have no predecessors. We have no parent. We have not offered franchises in any other lines of business.

Our affiliate, King Mediterrano, LLC organized March 27, 2013, owns and operates our King Mediterrano restaurant at 4354 Redondo Beach Blvd., Torrance, California 90504 since 2013.

We do not own or offer franchises in any other lines of business. This is our first offering of franchises in any line of business. We will began offering King Mediterrano franchises in California, once we have registered to sell franchises with the California Department of Financial Protection and Innovation. As of the date of this disclosure we do not have any franchisees.

Under the franchise we offer, you will develop, own and operate a "*Fusion Mediterranean"* inspired restaurant, called **King Mediterrano,** which includes a menu of Mediterranean entrees, burritos, bowls, nachos, loaded fries, quesadillas, salads, wraps, and sides to be eaten on the premises, delivered via 3rd party delivery partners, or taken out. Our system includes online ordering and you will be required to purchase and install the required online ordering software. You will operate in accordance with the guidelines, standards, specifications, recipes formulations, trade names, trademarks, logos, color schemes, and décor we make available to you through initial training, the operations manual, marketing materials and related items, along with continued updates, and industry information, all hereafter referred to as our proprietary "System."

Our agents for service of process are disclosed in Attachment E.

The market for your products is the general public. You will compete with other national, regional and local businesses that offer "*Mediterranean*" menu items as a main part of their business, such fast food and casual restaurants in general, as well as retail stores selling ready - made Mediterranean types of items. Your **King Mediterrano restaurant** and most competitors will generally be located near residential and light commercial areas. Your **King Mediterrano restaurant** may operate in close proximity to competitors. Some competitors will offer many goods and services that are the same as or similar to those you offer.

Laws Affecting Your **King Mediterrano restaurant**

You must comply with laws and regulations that apply specifically to restaurants and businesses serving food and beverages including laws on storage, preparation, packaging, labeling and sale of food to the public, and food handling certification requirements. Many places have laws

against smoking inside restaurants. In addition, some states and local governments also may require you to comply with laws relating to the labeling that is included on your menus, menu boards, and related materials.

The restaurant sector is subject to extensive regulations at the federal, state, and local levels. These regulations encompass design and construction standards, as well as necessary permits, including those mandated by the Americans with Disabilities Act of 1990, which ensures accessible accommodations for individuals with disabilities. Such regulations can influence various aspects of your establishment, including building construction, site layout, entrance ramps, doorways, seating arrangements, and restroom facilities. It is essential to assess the relevance of these and potentially other regulations in the area where you plan to establish your business, taking into account both their implications and the costs associated with compliance, including state and local licensing, zoning, and land use laws. You will need to secure real estate permits, if applicable, along with operational licenses. Additionally, you must adhere to employment laws such as the Fair Labor Standards Act and various state regulations concerning minimum wage, employee tip reporting, overtime, and working conditions. Other general business laws and regulations may also apply.

ITEM 2.
BUSINESS EXPERIENCE

President and Co-Founder, Director; Training Supervisor: Sarkis Zakarian

Mr. Sarkis Zakarian is our Chief Executive Officer and Co-Founder, since our inception in February 6, 2023. Mr. Zakarian is also an officer and co-owner of our affiliate, which owns the King Mediterrano location in Torrance, California, since March 2013.

Vice President and Co-Founder, Director; Training Supervisor: Ara Zakarian

Mr. Ara Zakarian is our Vice President and Co-Founder, since our inception in February 6, 2023. Mr. Zakarian is also an officer and co-owner of our affiliate which owns the King Mediterrano location in Torrance, California, since March 2013.

ITEM 3.
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4.
BANKRUPTCY

No Bankruptcy is required to be disclosed in this Item.

ITEM 5.
INITIAL FEES

The Initial Fee for the **King Mediterrano restaurant** franchise is $30,000 and is due in full upon signing your Franchise Agreement and is not refundable under any circumstances and considered fully earned.

You are also required to purchase from us or our affiliate the necessary proprietary spices needed for opening the **King Mediterrano restaurant,** which varies from $1,500 to 2,500.

ITEM 6.
OTHER FEES*

Type of fee	Amount	Due Date	Remarks
Royalty Fee	Zero for the first 3 months you are open, then 2% of Gross Sales for months 4-12, then 5% of Gross Revenues. This schedule will apply to any additional franchises you purchase (and qualify) See Note A.	Payable weekly by Electronic Funds Transfer which will take place on the Tuesday of the week following the week which Gross Revenues are calculated.	Gross Revenues includes the full price of all goods and services You sell, whether or not You have received cash or other consideration. Gross Revenues does not include taxes or fees you are required to collect on behalf of the government.
Network Marketing Fee	1% of Gross Revenues. See Note B.	Payable weekly by Electronic Funds Transfer at the same time as the royalties.	This Program is not yet in effect. We will notify when it is and when the Network Marketing Fees begin.
Local Advertising and Marketing	Not less than $500 per month and up to 1% of Gross Revenues.	Monthly or as incurred	You must advertise locally and provide receipts to us upon request. Any marketing materials must be approved by us first. If amount specified are not spent, you will be required to pay the difference to cooperative advertising.
Cooperative Advertising	As determined by cooperative See Note B	As determined by cooperative, payable to the vendors	If there are two or more Franchises in a marketing area, as we determine, you must participate in the cooperative and contribute moneys as determined by a majority vote of the cooperative.

Additional Training	Initial training is included in the Initial Franchise Fee for up to 2 people. Additional people may be trained for then current training fee. Additional training fee is currently $250 per person per day for the initial training program. We charge $250 per day for specific extra training you need on site, beyond the initial training, at your request or if we deem necessary, plus travel/lodging costs of franchisor. See Note C.	In advance of the training program(s)	You (Franchisee) and your **King Mediterrano restaurant** Manager must complete the initial training (cost included in the Initial Fee for first two persons trained total). If you obtain a new or replacement manager that person is required to complete training. You are responsible for all compensation, salaries, benefits and travel-related expenses for you or any employees.
Convention or Regional meetings	Varies from 0-$1000 depending on the length of the meetings	Before start of convention or meeting	We may have a convention or regional meetings annually or otherwise. You must attend such meetings at your cost.
Ongoing inventory and menu items	approximately $5,000-$7,000 weekly, depending on your sales.	According to purchase terms	You will buy the majority of your ongoing menu items from our vendors/suppliers we designate. We or our affiliate are the only vendor for the proprietary spices.
Transfer Fee	30% of the then current Franchise fee, or 5% of the sale price; whichever is greater.	Before completing transfer	Payable only if you sell your franchise or any part of your business to a new owner. Fee is $2,500 if you transfer to a corporation or other entity with the same identical ownership and control.
Software licensing fee	We do not have any proprietary software at this time but reserve the right to implement in the future	If we institute this fee it will likely be due on a monthly basis.	Payable to us or our affiliate for use of any proprietary mandatory software only if we institute in the future.
Audit Fee	1.5% per month interest on amount of underpayment plus the cost of the audit plus the amount of the underpayment	Immediately upon billing	Costs of audit payable only if an audit reveals that you have under reported Gross Revenues by 2 percent or more.
Renewal	One half the THEN current Initial fee. For example, if the current Initial Fee at the time you want to renew is $50,000 then the Renewal fee will be $25,000.	Before consummating Renewal	You will be required to sign a new franchise agreement on then current form, which may contain different terms.

Late Payment/ Interest	Late charge equal to 5% of payment due, together with interest at one percent (1%) per month, not to exceed highest legal rate.(The maximum interest rate in California is 10% annually)	On receipt of invoice	Interest is payable on entire overdue amount beginning with the date payment is due until payment, late charge and interest is paid in full.
Insurance	You must reimburse our costs	15 days after billing	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us.
Management Fee	$250 per person per day (plus costs and expenses)	As incurred	Due when we (or a third party) manage your business after your managing owner's death or disability, or after your default or abandonment.
Testing of Products or Approval of new Suppliers	Not to exceed $1,000	When billed	This covers the costs of testing new products or inspecting new suppliers you propose to us.
Owner's Manual Replacement Fee	$250	As incurred	Payable to us if you lose or destroy the Owner's Manual
Dishonored Item Fee	$75 plus reimbursement of any financial institution charge to us	On notice following a dishonor, or non-payment.	
Franchise Agreement Violation Fee	$1,000 per offense, in the case of health and safety violation, you must also comply with a remedial program.	On notice following a violation	Due if you fail to timely cure a default
Indemnification	Will vary under circumstances	As incurred	losses we suffer from the operation of your business
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Awarded to prevailing party if you and we are involved in any legal claim

*Unless otherwise indicated, these fees are uniformly imposed and collected by and are payable to us, and are non-refundable.

Notes Regarding Other Fees:

Note A. Gross Revenues

Gross Revenues is the total selling price of all products and services and all income of every other kind related to the **King Mediterrano restaurant**, including without limitation income related to all sales or orders of food products and food preparation services, provided from or related to your **King Mediterrano restaurant,** whether for cash, credit, barter or otherwise, including proceeds from the sale of gift cards gift certificates, coupons or similar promotions, and regardless of collection in the case of credit extended. You will pay a weekly Royalty Fee. You will pay by electronic funds transfer and must sign an authorization allowing direct transfers from your bank. The only exception is for sales tax collected.

Note B. Network Marketing Fees

Once we implement the program, you will pay a weekly Network Marketing Fee, in the same manner and at the same time as your Royalty Fee. Network Marketing Fees are in addition to your local advertising and any cooperative advertising obligation. We may increase this with 60 days notice not to exceed a maximum of 4%. (See Item 11 for details).

Note C. Training Expense.

We will train you and one other person as part of your Initial Fee. You and the designated manager will be responsible for full time business operations and must be trained in our initial training; You may have additional employees trained at your expense at current training fee of $250 per day per person, at our site. In all cases, you are solely responsible for all salaries, compensation, benefits, travel and related expenses for trainees. We may require you or your employees to attend additional training at a location we determine at $250 per day. You may request additional on-site training at your store for $250 per day plus our travel and lodging expenses. Those additional training costs are non-refundable. We will provide a professional trainer to oversee the opening of your store up to 3 days at no cost to you. If **King Mediterrano Restaurant** determined that management did not establish enough training, you must retain your employees before continuing business operations.

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ITEM 7.
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Category	Low Amount	High Amount	Method of Payment	When Due	To Whom Paid
Initial Fee (Note A)	$30,000	$30,000	Lump Sum	Upon Signing Franchise Agreement	Us
Initial Training Fee (for up to 2 people trained at the same time) (Note B)	$0 included in franchise fee.	$0 included in franchise fee.	Lump Sum	Before attending training	Not Applicable
Rent & Security Deposit (3 Months) (Note C)	$12,000	$30,000	As Incurred	As Incurred	Landlord
Leasehold Improvements (Note D)	$100,000	$200,000	As Incurred	As Incurred	Contractors
Kitchen Equipment including small wares (Note E)	$145,000	$195,000	Lump Sum	Before Opening	Vendors
Travel & Living Expenses While Attending Initial Training (Note B)	$3,000	$6,000	As Incurred	As Incurred	Hotels, airline, Food, vendors, etc.
Business License and Permits	$5,000	$10,000	As Incurred	Before Opening	Government Agency / City Hall
Grand Opening (Note F)	$2,500	$5,000	As Incurred	As incurred	Vendors
Insurance (3 months (Note G)	$500	$1,000	As Incurred	As Incurred	Vendor
Professional Fees (Note H)	$2,500	$3,500	As Incurred	As Incurred	Professionals
Opening Inventory, Supplies and Branded Items (Note I)	$34,000	$38,000	As Incurred	Prior to Opening	Vendors
Proprietary Spices	$1,500	$2,500	Lump Sum	Prior to Opening	Us or our Affiliate
Signage	$7,500	$15,000	As incurred	As incurred	Vendors

TV, Cameras, and Point of Sale System	$15,000	$20,000	As incurred	As incurred	Vendors
Furniture, Fixtures, and Decor	$7,500	$15,000	As arranged	As incurred	Vendors
Additional Funds (3 months) (Note J)	$35,000	$60,000	As Incurred	As Incurred	Vendors
TOTALS	$401,000	$631,000			

All amounts payable to us or our affiliate are uniformly applied and are non-refundable.

Notes Regarding Initial Investment:

Note A: Initial Fee.

The Initial Fee is payable in full upon signing the Franchise Agreement and is non-refundable.

Note B. Training Expense.

We will train you and one other person as part of your Initial Fee. You or a manager responsible for full time business operations and management must be trained in our initial training; You may have additional employees trained at your expense at current training fee of $250 per day. In all cases, you are solely responsible for all salaries, compensation, benefits, travel and related expenses for trainees. We may require you or your employees to attend additional training at a location we determine at $250 per day. You may request additional on-site training for $250 per day plus our travel and lodging expenses. You must pay travel and lodging for you and your trainees during training. Those additional training costs are non-refundable. You are required to ensure that your **King Mediterrano restaurant** has sufficient number of employees present each day to ensure smooth operation and maintain brand customer service and quality standards.

Note C: Real Estate Rental.

You must lease a location for the **King Mediterrano restaurant** that meets our general guidelines. The space should be between 1,000 to 2,000 square feet in a strip mall or small stand-alone shop in a light commercial area, or in a nice shopping center which has good car and foot traffic, and allows open hours of operation from early morning until late night. King Mediterrano restaurant might allow to lease smaller areas if the leased area has some kind of patio seating to compensate for the small square footage. Different types of locations may have different hours. Leases will vary in rental amounts, lease terms, amount of space required, tenant improvements required, security deposit and advance rental required. You may be liable for the entire term of the lease whether or not you succeed in the **King Mediterrano restaurant**. You should consult your lease documents with your attorney. You must incorporate the terms of the Conditional Lease Assignment into your lease, see Exhibit C to Franchise Agreement. Your lease payments will be non-refundable other than any allowance in accordance to your lease. Rent is estimated to be between $4,000 and $10,000 per month for a **King Mediterrano restaurant**, each including common area maintenance ("CAM") charges, if any, and depends on factors such as market, size, condition, requirements for build-out, and location of the leased premises. Landlords typically require an initial payment equal to the first month's rent plus a guarantee deposit equal to one (1) month's rent. This estimate includes only initial payments to secure a location. If you choose to purchase instead of lease the premises for your location, then the purchase price, down payment, interest, and other financing terms will determine your monthly mortgage payments. The costs of purchasing a Business vary so widely that we cannot

reasonably estimate the cost.

Note D: Leasehold Improvements

We will provide standard guidelines for the layout of the tenant improvements. The cost could be higher if you or your landlord request changes from the standard design and materials.

Some landlords finance leasehold improvements by amortizing them over the lease term and charging a higher rental amount to cover the cost. You should attempt to determine your costs and financing options before deciding on a location. Costs for these improvements are not refundable, unless agreed by the Landlord.

If you are taking over or continuing in an existing **King Mediterrano restaurant**, we may require that you remodel, redecorate or make other changes to the Location to comply with our specifications, at your cost.

You may not open the **King Mediterrano restaurant** for business until: (1) we approve the location improvements as developed according to our specifications and standards; (2) pre-opening training been completed to our satisfaction; (3) the Initial Franchise Fee and all other amounts then due to us have been paid; and (4) we have been furnished with copies of all required insurance policies, or such other evidence of insurance coverage and payment of premiums as we request. You must open the **King Mediterrano restaurant** for business within 1 week, after we notify you that it is ready to open unless there are circumstances beyond your control. We must approve any delay in opening of the **King Mediterrano restaurant** with approval to be reasonable in nature.

Note E: Equipment.

You must obtain all the required equipment, and small kitchen wares necessarily to outfit your **King Mediterrano** restaurant, through approved suppliers. The minimum equipment pieces and small wares will be listed in the Operations Manual, and further determined based on your location size. We will also provide you with a list of approved vendors/suppliers to purchase directly from them. This category also includes the required POS system. The purchase price for the equipment is non-refundable.

If you borrow money to purchase the equipment, your monthly fixed expenses will increase.

Note F: Grand Opening.

We require a "grand opening" appropriate for your community, competitive situation and similar factors. The cost of a grand opening is difficult to estimate with accuracy because of local market factors, including the types of marketing media available, the cost of marketing space or time and the local competitive situation but the estimate given should be sufficient.

Note G: Insurance.

We require you to purchase and maintain, at your expense, throughout the term of this Agreement commercial general liability insurance, including bodily injury, property damage, personal injury, advertising injury, non-owned automobile, loss of business income, and broad form contractual coverage for liability (See Item 8 for details).

Note H: Legal and Accounting Professional Fees.

You may need an attorney to assist and advise you in setting up your business organization and reviewing contract documents. This estimate does not include any ongoing needs for legal services in connection with relationships with customers or vendors. Depending upon your experience and staffing, you will need accounting services, which will be extra. You should consult your accountant

for an estimate of fees. This amount will vary based on what the Professional charges.

Note I: Opening Inventory, Supplies and Branded Items.

You will need a minimum supply of inventory of food ingredients inventory and kitchen supplies, and branded items prior to opening. The categories of Opening Inventory Supplies and Branded Items are indicated in the Operations Manual and will be further determined based on the size of your location. We or our affiliate are the only approved supplier of the Proprietary Spices as of the date of this disclosure document (acknowledged). The purchase price for these items is non-refundable.

Note J: Additional Funds.

This range for Additional Funds estimates a 3-month initial period for operating expenses and such as payroll costs, utilities, royalties, required computer services, and inventory replacement, and do not include owner compensation or return on investment. We have not sold any franchises so our projected initial costs represent our best assessment of the expenses based on limited research. We do not provide direct or indirect financing of any of the costs to our franchisees.

ITEM 8.
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase from vendors we approve, all the equipment, supplies, inventory, and branded items necessary to start or operate the **King Mediterrano restaurant.**

Approved Products and Services and Menu Items

You may only market, offer, sell, and provide the approved menu items, as well as any related merchandise and other products that we authorize for sale in conjunction with the Approved Products and Services. We will provide you with a list of our then-current Approved Products and Services, along with their standards and specifications, as part of the Manuals or otherwise in writing prior to the opening of your **King Mediterrano restaurant**. We may update or modify this list in writing at any time. If you wish to offer any product or service in your King Mediterrano restaurant other than our Approved Products and Services, or use any item in connection with your Franchised Business that does not meet our System standards and specifications, then you must obtain our prior written approval as described more fully in this Item.

Approved Suppliers

We have the right to require you to purchase any items or services necessary to operate your **King Mediterrano restaurant** from a supplier that we approve or designate, which may include us or our affiliate(s). We will provide you with a list of our Approved Suppliers in writing as part of the Manuals or otherwise in writing, and we may update or modify this list as we deem appropriate. Except as provided in this paragraph, neither we nor any of our officers own an interest in any of our Approved Suppliers. However, we reserve the right to require you to purchase additional items from us or our affiliates in the future. We may develop proprietary products for use in your **King Mediterrano restaurant,** including private-label products that bear our Marks, and require you to purchase these items from us or our affiliate(s). If you wish to purchase a product or service that we require you to purchase from an Approved Supplier from an alternate source, then you must obtain our prior written approval as outlined more fully in this Item. We may provide our standards and specifications for our Approved Products and Services directly to our Approved Suppliers, and may provide these standards and specifications to an alternative supplier you propose if: (i) we approve the supplier in writing as outlined more fully in this Item; and (ii) the alternative supplier agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

We may designate other approved vendors, which must meet our specifications. We issue

specifications in writing and incorporate them in the Operations Manual. These specifications include quality, accuracy, preparation, installation, application, operations.

Insurance

You must obtain and maintain insurance, at your expense, as we require, in addition to any other insurance required by applicable law, your landlord, or otherwise. We may periodically change the amounts of coverage required under the insurance policies and require different or additional kinds of insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us and entities and persons affiliated with us as additional insureds. On our request, you must provide us with copies of all insurance policies together with proof of payment for insurance. You must send to us current certificates of insurance and copies of all insurance policies on an annual basis. Before you open your **King Mediterrano restaurant,** you must furnish us with a certificate of insurance showing compliance with the insurance requirements. Currently, you must have the following insurance at a minimum:

- Comprehensive general liability insurance with limits of at least $1,000,000 per person per occurrence (and $2,000,000 aggregate for bodily injury) and at least $50,000 for property damage per occurrence;
- Personal injury and advertising injury insurance with limits of at least $1,000,000 per occurrence;
- Employer Practices Liability insurance with limits of at least $1,000,000;
- An Umbrella Liability insurance policy with a limit of at least $1,000,000;
- "All risk" insurance on the premises, equipment and supplies, for loss or damage by fire, windstorm, flood, casualty, theft and other risk usually insured against by the owners or lessors of similar property, for at least 100% of the replacement cost of the property. Unless you obtain a written waiver from us, any King Mediterrano restaurant sustaining loss or damage must be repaired, restored, or rebuilt within 60 days after the date of the loss or damage;
- Automobile liability insurance on each vehicle used in the business within the minimum coverage limits as required by the law of the state or jurisdiction in which you are engaged in business;
- Worker's compensation or similar insurance as required by the law of the state or jurisdiction in which you are engaged in business. This insurance must be maintained for trainees, as well as for those employed or engaged in the operation of your King Mediterrano restaurant, if required by your state or jurisdiction.

Such certificate(s) of insurance shall provide that the coverage under the respective policy(ies) may not be modified (except to increase coverage) or canceled until at least thirty (30) days prior written notice of such cancellation or modification has been given to us. Upon our request you must provide us with a copy of any insurance policy, including all endorsements. Every insurance policy must provide that coverage is primary/non-contributory. Any refundability will be in accordance with the insurance company.

Computer System

You must purchase the computer system that we specify, including computer hardware, software, point of sale system, inventory control systems, and high-speed network connections (collectively, the "Computer System"). The component parts of the Computer System must be purchased from Approved Suppliers. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must sign any software license agreements that we or the licensor of the software require and any related software maintenance agreements. Currently, we require to you to utilize Toast Point of Sales system.

Required Technology and Operation Services

We currently require the following additional technology and operation services provided by the following approved vendors:

Vendors Name	Description
Solink	Video surveillance that integrates with Toast POS
Incentivio	Online ordering system / catering /
xtraCHEF	Inventory Management
Exacto Signage	Digital signage hosting fee
OvationUp	Guest experience feedback platform
BOHA	Back of House system / Digital checklist system
TryOtter	3rd party ordering aggregator
StellarMenus	Website hosting
Naranga	Franchisee Management platform
SoundHound	Auto answering AI system
Got Safety	Safety training platform / system
Frontline International	Oil Quality and discard system

Fees for such services shall be established by the vendors and you shall pay the vendors directly on their terms, including any changes fees such vendors might implement for such services. The total monthly fees for the above services ranges from $1800 to $2500. We or our affiliate may become an approved vendor at any time. We may withdraw or change any approved vendor and you must adhere to the new vendor service. We may withdraw any technology or operation service from the required list and may elevate any recommended service to the required list at any time upon reasonable notice to you. We may institute additional required technology services or operation services, and you must implement such new service within the time frame required by us.

We may publish a list of other approved vendors in the Operations Manual. We may approve other vendors if you request it in writing or if a vendor requests it and if the vendor demonstrates to our satisfaction that it is financially stable and can provide product(s) or service(s) that meet our specifications and that are consistent with our image. We may charge a reasonable fee to cover our costs in evaluating a proposed vendor. We will give you a good faith estimate of our cost of evaluating a proposed vendor within a reasonable time after you make the request, but before we begin the evaluation process. We will normally make our decision within sixty (60) days. We reserve the right to disapprove any previously approved vendor whose performance falls below our standards.

Since we have not yet sold any franchises, neither we nor our affiliate derived any revenue based on required purchases or leases by franchisees made in accordance with our specifications, in our last fiscal year.

Because of common industry practices, we may in the future receive rebates, discounts and allowances from some vendors with whom you do business. We will utilize such monies at our discretion for promotions, programs, training or other network services. We do not know the amount, if any we could receive for potential rebates, discounts and allowances and how many franchisee purchases would it take to qualify for any such rebates etc., but estimate that it may range from 0-5% of the amount of your purchase of certain items. The amount and availability to vary from time to time based upon factors outside our control.

We may negotiate purchase arrangements with suppliers for your benefit in the future. Except as described in this Item, we do not currently provide any material benefits to you based upon your use of designated or approved sources.

We estimate that your purchases of goods and services in accordance with specifications will represent approximately 45% to 52% of your total purchases in connection with establishing your **King Mediterrano restaurant** and approximately 65% to 75% of your total ongoing purchases in connection with operating your **King Mediterrano restaurant**.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your King Mediterrano restaurant that are not Approved Products and Services; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier. If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Franchised Business; or (ii) purchasing from a non-approved supplier. You must pay our then current supplier or non-approved product evaluation fee when submitting your request, as well as cover our costs incurred in evaluating your request, which will be no more than $1,000. We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products and/or services, and request that you reimburse our actual costs associated with the testing/inspection. We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (although are not required to) make it available to you upon request. Each supplier that we approve must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Marks. The revocation of a previously-approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

Specifications and Standards Equipment and Supplies and Signs

You must purchase or lease certain equipment and supplies meeting our specifications. The initial equipment and supplies that must meet our specifications are identified in our manuals. Any signs, logos, emblems, or pictorial materials using our trademarks must meet our specifications.

Site Selection Criteria

You must find a site for your business that meets our site selection criteria within 30 days after signing your Franchise Agreement. We will not unreasonably withhold approval of any site that meets our standards. Our approval of a site is not a representation or warranty that your business will be profitable or that your revenues will attain any predetermined levels. Approval is intended only to indicate that the proposed site meets our minimum criteria for identifying sites. You agree that our approval or disapproval of a proposed site does not impose any liability on us.

Design Specifications

We may provide you with specifications for design, decoration, layout, equipment, fixtures and signs for your **King Mediterrano restaurant.**

Maintenance and Repairs

You must uniformly maintain your **King Mediterrano restaurant** to the degree of sanitation, repair, appearance, condition and security as stated in our manuals, as they may be updated from time-to time. You must make additions, alterations, repairs and replacements to your restaurant as reasonably required for that purpose, including periodic repainting changes in appearance, upgrades and repairs to equipment, and replacement of obsolete signs as we reasonably direct. We cannot estimate these costs for you since the square footage and actual uses of each facility will vary. Maintenance is generally less expensive than replacement. You must meet and maintain the safety standards and ratings applicable to the operation of your restaurant as we reasonably require.

Renovation and Upgrading

You must abide by our requirements on alterations, remodeling, upgrading or other improvements to your restaurant. The requirements will not exceed those applicable to new franchised, affiliate-owned units, and company-owned units; and will not generally occur more frequently than every four (4) years. You will be responsible for the cost of changes or additions.

Modifications of Specifications

Our standards and specifications are found in our manuals. We may modify our specifications on reasonable written notice to you. We will consider your written request for a modification of a specification, if you explain the reason for the requested modification and provide us with sufficient technical data to enable us to evaluate your request. We will provide you with notification of approval or disapproval within 10 days after receipt of your request. We will approve a request if we determine that a modified specification is appropriate or that any equipment or supply meets our specifications then in effect. We may perform tests to determine any requested modification meets our specifications. We may charge you a fee to cover our reasonable costs and expenses in evaluating any request, or conducting tests in order to grant our approval.

ITEM 9.
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this franchise disclosure document.

Obligation	Section in Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	1,6	11
b. Pre-opening purchases/leases	6, 7	7
c. Site development and other pre-opening requirements	1, 6, 7	5, 7, 17
d. Initial and ongoing training	4, 7	11
e. Opening	1, 6, 7	

f. Fees	2	5, 6, 7
g. Compliance with standards and policies/Operating Manual	1, 5, 6, 7	7, 8, 11
h. Trademarks and proprietary information	1, 5	13
i. Restrictions on products/services	1, 6, 7	8, 16
j. Warranty and customer service requirements	4, 7	Not applicable
k. Territorial development and sales quotas	None	None
l. Ongoing product/service purchases	7	6, 8, 16
m. Maintenance, appearance and remodeling requirements	7	7, 11
n. Insurance	8	7
o. Marketing	2, 7	11
p. Indemnification	8	17
q. Owner's participation	7	15
r. Records/reports	3	6
s. Inspections/audits	3	6
t. Transfer	12	17
u. Renewal	9	17
v. Post-termination obligations	16, 17	17
w. Non-competition covenants	16	17
x. Dispute resolution	18	17

ITEM 10.
FINANCING

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

ITEM 11.
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations.

Before you open your **King Mediterrano restaurant**, we will:

1. License you to use our Marks and System in connection with your **King Mediterrano restaurant** (Franchise Agreement - Article 1);

2. Designate your Territory (Franchise Agreement - Article 1);

3. Approve or disapprove your business Location (Franchise Agreement - Articles 1 & 7);

4. Provide you with our approved vendors and ordering process and list of our required Equipment, Opening Inventory, Supplies and Branded Items and small kitchenware, to purchase, but we do not provide assistance in installation or set up (Franchise Agreement Article 6);

5. Provide you with a list of the Required Technology services and required Operational services, along with a list of approved vendors but we do not provide assistance in installation and set up, beyond the initial training advice (Franchise Agreement Article 6);

6. Provide you with the required initial Proprietary Spices to purchase (Franchise Agreement Article 6;)

7. Within 30 days of signing the lease or location purchase, we will provide you with Leasehold improvement guidelines and interior layout. We will also provide you with access to prototype design plans, specifications, décor and layout for **King Mediterrano restaurant,** including requirements for design, color, scheme, image, interior layout and operation assets that include fixtures equipment interior signs and furnishings. We may also designate additional suppliers of goods and services (Franchise Agreement Article 6);

8. Identify your **King Mediterrano restaurant** location on our main website; https://www.kingmediterrano.com (Franchise Agreement Article 1);

9. Provide you with current menu items and recipes, and suggested pricing guidelines, as part of the operations manual (Franchise Agreement, Article 1);

10. Loan you or provide electronic access to our operations specifications, standards, procedures, processes, and requirements and trademark standards, which may be in a variety of formats, including paper, electronic, webinars, etc. ("the Operations Manual"). The Operations Manual is confidential and remains our property. We will modify the Operations Manual, from time to time and you are required to comply with all changes. (Franchise Agreement - Article 1); and

11. Provide initial training for you and one additional person as provided below.

12. Provide site selection guidelines and criteria and provide site selection assistance to determine an acceptable location for your **King Mediterrano restaurant**.

13. We, or our designee, will provide instruction and assistance prior to the opening of your **King Mediterrano restaurant and** immediately following the opening by telephone or in person, as we determine in our sole discretion.

Post-Opening Obligations.

After you open your **King Mediterrano restaurant**, we will:

1. Take any actions we deem appropriate to protect or defend the Marks or System (Franchise Agreement - Article 1);

2. Provide you periodic updates to the Manual (Franchise Agreement - Article 1);

3. Provide you with ongoing lists of current and new menu items, recipes and suggested pricing guidelines, and approved vendors and approved items to be sold, which may be communicated through Operations Manual updates or other internal communications. (Franchise Agreement – Article 1);

4. Provide you with any new Technology Services or new operational services required as well as required vendors, and any changes to approved vendors for current Technology or Operation services (Franchise Agreement Article 6)

5. Provide a periodic training program for your manager(s) and for certain other employees, at our regular charge for the training (Franchise Agreement - Articles 4 & 5);

6. Provide periodic consultation and advice concerning your operation of the Business and to generally be of assistance (Franchise Agreement, Article 1);

7. Provide you specifically requested additional training onsite at a mutually agreeable time for the current daily additional training fee (currently $250 per day). Franchise Agreement, Article 4).

8. Maintain the website: https://www.kingmediterrano.com; You may not create a separate webpage without our express consent (Franchise Agreement Article 1)

9. Manage the Network Marketing Program and manage the Network Marketing Fees (Franchise Agreement, Article 2).

MARKETING AND ADVERTISING

Local Area Advertising

You are required to spend at least $500 per month and up to 1% on local area advertising and must provide us with proof of expenditures upon our request. You must submit to us, for our approval, all media and materials to be used for local advertising, unless the media and/or materials have been approved before or unless we provided the materials to you. All materials containing our proprietary marks must include the designation service mark SM, trademark ™, registered trademark ®, copyright ©, or any other designation we specify. If you do not receive written or oral approval of any materials submitted within 30 days from the date we receive the materials, the materials are disapproved. We may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved. We must make this requirement in writing, and you have 5 days after receipt of our notice to withdraw and/or discontinue use of the materials or advertising. Your submission of advertising for our approval does not affect your right to determine the prices at which you sell your services. You may have as many telephone numbers and telephone directory listing for the franchised business as you choose; however, you acknowledge and agree that we will own all rights and interest in each telephone number (regardless of whether such telephone number pre-existed any Franchise Agreement) and telephone directory listing, email address, domain name, social media platform, and comparable electronic identify that is associated in any manner with your Franchise and/or with any Mark (“Listing”). You acknowledge and agree that all goodwill arising from or in connection with the use of each Listing will be to our benefit. Promptly after expiration, termination, repurchase or transfer of the Franchise, you will notify each telephone or Internet Service Provider (“ISP”) with whom you have any Listing and direct them to transfer the Listing to us, or any persons we designate, at your expense; and you agree to execute all documents necessary to complete these transfers. You must include in any significant display advertisements, and in marketing materials for your **King Mediterrano restaurant,** a notice that your **King Mediterrano restuarant** is individually owned and operated. Subject to any legal

restrictions, you also are required to display or make available in your King Mediterrano's reception area, marketing materials that we may provide to you about the purchase of King Mediterrano franchises, but you have no responsibility or authority to act for us in franchise sales. You may not solicit business outside your Territory through the use of a toll-free number, direct mail, website, social media platform, or other advertising method without our prior written approval. You may not establish your own website or social media platforms without approval.

Grand Opening

You are required to spend between $2,500 to $5,000 in a Grand Opening promotions and provide us a plan we will approve. The plan should include Public Relations, Media Outreach, Social Media, Events set-up, Mailers, advertising, and on-site presence and promotions. We will provide guidelines for conducting a Grand Opening Plan (Franchise Agreement, section 2).

Promotions

You are required to participate in all company-wide promotions, and discount programs (when applicable). You are required to participate in any gift card program we institute. (Franchise Agreement, section 2).

Local Advertising Cooperative

If at any time, there are two or more **King Mediterrano restaurant** franchisees within a marketing area we may form a local marketing cooperative and you must participate. We will decide and may modify the size and location of any marketing area. A local marketing cooperative, by a majority vote, may assess and determine the amount of dues, and the advertising to participate in, and will make its own rules and procedures and administering its own funds. We will act as an advisor when needed but will not participate in the dues or administering the funds collected or to be collected.

You may not engage in sales through alternative distribution channels or the Internet without our prior written approval. We are not required to give you such approval.

Network Marketing Fund

We will establish an Advertising Fund (the "Fund") for such advertising, marketing and public relations programs as we, in our sole discretion, may deem necessary or appropriate to promote **King Mediterrano restaurant** locations. We will administer the Fund as follows:

Once established, the contributions will be 1% of your gross revenues (see Item 6). We will direct all advertising and public relations programs financed by the Fund, with sole discretion of approval over agencies, spokespersons, creative concepts, materials, and media placements and allocations used in the programs. The Fund will establish and maintain an on-line presence, including our website. The Fund may be used to pay the costs of researching, preparing, maintaining, administering and directing advertising and promotional materials and programs (including the costs of preparing and conducting television, radio, magazine, newspaper, direct mail and coupon advertising campaigns and other public relations activities; employing advertising agencies; providing a telephone number for prospective customers to call for referral purposes; and providing promotional brochures and other marketing materials to franchisees in the System) and maintenance of the main website. Also, up to 15% of the monies in the Fund may be used to cover administrative costs and overhead we may incur including salary costs of employees working for the Fund. You must participate in all advertising and public relations programs instituted by the Fund. All **King Mediterrano restaurant** locations owned by us or our affiliates will contribute to the Fund on the same basis as you.

The Fund will be accounted for separately from our other funds. We may spend in any fiscal year an amount greater or less than the aggregate contribution of all **King Mediterrano restaurant** locations to the Fund in that year, and the Fund may borrow from us or other lenders at standard commercial interest rates to cover deficits of the Fund or cause the Fund to invest any surplus for future

use by the Fund. A statement of monies collected and costs incurred by the Fund will be prepared annually by us and will be furnished to you upon written request. This statement will not be audited.

The Fund is intended to maximize recognition of the Proprietary Marks and patronage of **King Mediterrano restaurant** locations generally. Although we will endeavor to utilize the Fund to develop advertising and marketing materials and programs, and to place advertising, in order to benefit all **King Mediterrano restaurant** locations, we are not required to make expenditures by the Fund in your geographic area that are proportionate or equivalent to your contributions to the Fund, or ensure that any **King Mediterrano restaurant** location will benefit directly or in proportion to its contribution to the Fund. Your failure to derive any such benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Fund. We have no fiduciary obligation to you or any other **King Mediterrano restaurant** in connection with the establishment of the Fund or the collection, control or administration of monies paid into the Fund. Except as expressly provided in the Franchise Agreement, we have no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Fund.

The Fund may place advertising in any media, including print, radio, television and online. The coverage is typically regional and national in nature. Advertising may be developed in-house and/or by regional and national advertising agencies. No money will be spent by the Fund to solicit new franchisees other than an area on our website.

There have been no collection of monies and no advertising expenditures for the Fund.

Advisory Councils

We currently do not have an advisory council.

Advertising Cooperatives

We currently do not have any local or regional advertising cooperatives for Franchisees in which you are required to participate.

Except as provided above, we are not required to conduct any particular marketing or advertising, nor spend any amount of advertising in your territory.

COMPUTER HARDWARE AND SOFTWARE

You must purchase and use the complete computer software services and electronic cash register/point-of-sale system (i.e., the "POS System") we require, which we have the right to change at any time. Currently, our designated POS System is **Toast POS;** however, this POS System is subject to change at any time. The POS system includes kitchen display screens, cash registers, self-serve kiosk, an electronic cash register system, (Toast register). Currently, the approximate cost to you for the POS System and other required equipment varies based on size of your restaurant, but we estimate the cost to range from $15,000 to $20,000 plus an annual subscription fee, depending on the configuration of $3,500 to $5,000 This cost is subject to increases by the vendors. Beyond the POS System, you are required to obtain other necessary computer services, tablets, an office printer, and a laptop or desktop computer. Any maintenance, repair or updates due to the computer system are your responsibility. You are responsible to maintain and repair your hardware and to update or upgrade your software. We may recommend or require additional hardware. We estimate the cost to maintain or upgrade your hardware and software to be $ 500-$2,500.

You must contract for and implement all the required Technology and Operation Services (See Item 8 for listing). We estimate the monthly fees for these services to total between $1800 and $2500.

Independent Access to Information.

We have a right and you are required to provide us with independent access to the information that will be generated or stored in your computer systems, Point of Sale, which includes, but is not limited to, customer, transaction, and operational information. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. You must have broadband Internet access, which will permit you to use web-based technology, gather information, exchange ideas and transfer data. You may use any independent Internet Service Provider of your choosing that provides broad-band access. You must maintain a functioning email address so that we can communicate with you electronically. We may upgrade our minimum computer system requirements at any time in order to keep pace with technology. There are no contractual limitations on the frequency or cost of this obligation, but we expect you will need to upgrade at least every five (5) years. If we modify or impose a requirement, we will notify you in our manuals or other written communications, and will give you a reasonable time in which to comply at your expense. We estimate that the cost of upgrading and replacing a computer system is approximately $600 annually. We may assist you in obtaining the computer system and related services, but we are not obligated to do so. We may, in the future, designate an approved supplier for computer components. We disclaim all implied warranties to the extent permitted by law. Neither we nor any affiliate is obligated to provide ongoing maintenance, repairs, upgrades or updates to any component of your computer system. You should determine for yourself whether or not any third-party supplier from whom you purchase any component of your computer system is obligated to provide ongoing maintenance, repairs, upgrades or updates to any component of your computer system, and determine the additional cost for the services.

SITE SELECTION AND TIME TO OPEN

It is our standard procedure to have you search, identify and ultimately select the site for the **King Mediterrano restaurant.** Our site acceptance is based on residential population, traffic counts and patterns, competing establishments, median income levels, availability of parking, rental and lease terms, physical configuration of the site and growth trends in the area. We must approve any site selected, but our approval in no way serves as a guarantee of success for the location, only that it meets our general criteria. We may take up to 30 days to approve each proposed site you submit. If you cannot find a suitable site that meets our guidelines within 180 days (or more, if you request and receive an extension) from signing the Franchise Agreement, we can terminate the Franchise Agreement and you will not be entitled to receive any refund of the Initial Franchise Fee.

The typical length of time between when you sign the Franchise Agreement and the time when your **King Mediterrano restaurant** opens will generally be 9 to 18 months. The factors affecting this length of time include the time necessary for you to obtain your location for the tenant improvements to be completed, and to obtain your equipment furniture fixtures and signs, and other décor items needed, and to schedule your initial training, and hire and train any necessary employees. There may be other circumstances in which, because of delays, construction schedules and other events beyond your and our control it takes longer.

Because there is always uncertainty about if and when you will locate and develop acceptable franchise location, how long it will take to open your **King Mediterrano restaurant** and about whether you will successfully complete training, you should not terminate employment or cease other income producing activity until after these events have occurred.

You must execute a Conditional Lease Assignment or similar language in your location lease,

assigning rights to take over the location to us upon their default. The Form Conditional Lease Assignment is in Exhibit C to the Franchise Agreement.

OPERATIONS MANUAL

Our Operations Manual contains all aspects about the operations of your **King Mediterrano restaurant** and our company philosophy. We reserve the right to modify, add, delete and revise the Manual at any time in our sole discretion, and if we do, we will provide you with updates sections either electronically or hard copy or both. The Table of Contents of our Operations Manual is contained in Attachment D to this Franchise Disclosure Document.

The Operations Manual is confidential and our proprietary property which will be on loan to you. You must safeguard this Manual and not allow it to be distributed to any third parties except as necessary to operate your business, and only then to individuals who have signed a confidentiality agreement as in Exhibit G to the Franchise Agreement.

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TRAINING

We do not charge for the initial training for a total of two people, but you must pay the travel and living expenses for you and your trainees. An additional training fee is due for any trainees beyond two. All training occurs at our **Torrance**, **California** location and may also occur at one or more operating **King Mediterrano restaurant** locations or other designated training location. We reserve the right to offer some training online, where personal attendance is not mandatory, or if government emergencies result in temporary facility closures. You and your trainees must successfully complete the initial training program, to our satisfaction. We will decide whether you successfully complete the initial training program based upon knowledge test results and our observations of your ability to use the knowledge effectively. Listed below is a chart showing our tentative training schedule, the principal instructors, the instructional material you will use, and the location of the training:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Orientation	1	1	Affiliate Store in Torrance
Concept, History, Business Model	1	0	Affiliate Store in Torrance
Human Resources Management	1	0	Affiliate Store in Torrance
Customer Service and Sales Techniques	2	2	Affiliate Store in Torrance
Food Preparation	1	40	Affiliate Store in Torrance
Menu/Plate Presentation	1	8	Affiliate Store in Torrance
Product Ordering - Specifications and Inventory	1	2	Affiliate Store in Torrance
Equipment Usage and Maintenance Control	1	2	Affiliate Store in Torrance
Marketing and Advertising	1	0	Affiliate Store in Torrance
Quality Standards and Store Sanitation	1	2	Affiliate Store in Torrance
Total	11	57	

All times are approximate, and we may adjust them based upon your experience and rate of learning. Since we have not yet sold any franchises and are still formulating our training program, there may be additional categories and hours than indicated above, and some categories or hours may be reduced. This is our estimate only and we are still making refinements as we open restaurants.

Mr. Sarkis Zakarian and Mr. Ara Zakarian will coordinate and supervise training, which may include bringing in other appropriate persons to conduct parts or all of the training. Mr. Sarkis Zakarian and Mr. Ara Zakarian have both owned and operated a King Mediterrano restaurant since 2013. Any other training instructors will have at least 1 year experience at the King Mediterrano store level or related franchise and/or restaurant training experience.

Our new franchisee training program consists of approximately 10 to 14 days of instruction by our current management team concerning all aspects of the operation and management of the business. The training program will be offered as needed for all new franchisees. The number of times per year offered will depend on the number of new franchisees that have come into our system.

In addition, corporate personnel will spend approximately 3 days or more in your store after you open for additional post-opening training. We reserve the right to adjust those days if we figure out that more training is necessary.

There are no additional mandatory training programs at this time.

You are responsible for the recruitment and hiring of *all* of your employees. You are also responsible for the training of all **King Mediterrano restaurant** employees, however we offer training for additional employees beyond the 2 your franchise fee covers, for an $250 per employee per day. We will also be available to advise and assist you in opening the **King Mediterrano restaurant** by coordinating your pre-opening activities and operations, as we deem necessary for the opening of your Store. We may institute additional required training courses in the future.

ITEM 12

TERRITORY

We will grant you a geographic territory ("Territory"), which we will describe in Exhibit B to the Franchise Agreement. Your Territory will generally be approximately 3mile radius around your **King Mediterrano restaurant,** but may be less depending on population for the surrounding area.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. However, if you are not in breach of the Agreement, we will not locate or open a **King Mediterrano restaurant** in your Territory, either company-owned or franchised, during the term of the Agreement.

You are permitted to operate your **King Mediterrano restaurant** only at one location and only within your Territory. The Franchise Agreement does not grant you any options, rights of first refusal or similar rights to contiguous territories.

If you seek to relocate your **King Mediterrano restaurant** you must obtain our approval of the new location, which must be inside your territory. We have the right to deny a relocation that in our opinion would be too close to another **King Mediterrano restaurant** even if the new location is inside your Territory. We reserve the right to re-draw your or other franchisees' Territory borders with your or the other franchisees' consent, to accommodate a re-location or a new franchise to

accommodate a distance in our opinion that would be beneficial to contiguous territories. We will not re-draw your Territory without your consent.

There are no restrictions on where customers may come from. You may only engage in direct marketing within your Territory, except with our prior approval.

The Agreement excludes certain sites from your Territory, even though they may be located within the boundaries of your Territory. Exclusions are: Home shows, trade fairs, exhibitions and online product sales of related industry equipment. We also reserve the right to open a **King Mediterrano restaurant** in such areas inside your territory: Malls, amusement parks, universities, hospitals, or similar closed area locations or facilities. We, or a person we designate, may directly or indirectly sell and distribute goods and services at those locations, including the same goods and services you offer and may use the Marks, without paying you or any other franchisee. In addition, we may offer products and services under the same or a different trade name or trademark, including within your Territory through alternative distribution methods, including through independent retail outlets, catalogs, mail order and through electronic media, including television, radio, the internet and through other new or emerging commercial technological media without paying you or any other franchisee.

You may not market your goods and services over the Internet through social media, nor through other alternative distribution methods without our prior written approval.

Neither we nor an affiliate plan to operate or franchise businesses under a different trademark that will sell goods and services that are the same or similar to those you will sell.

Except as described above, we will not alter Your Territory. Your continued Territory rights are not affected by your sales volume, market penetration or any other contingency.

We reserve the right to implement other forms of commercial real estate leasing such as “Ghost Kitchens” in the near future.

We reserve the right to implement breakfast menu which might necessitates opening at early hours, or such other hours as is allowable according to the location restrictions.

We reserve the right to become a required supplier for any of the required purchases. We reserve the right to stop becoming a required supplier and to assign a new required supplier for any items we were previously a required supplier.

We reserve the right to change elements of our System including different equipment, menu items, proprietary items, other approved vendors (including us and our affiliate for any required purchases), new trademarks and logos, and other required purchases, new services, new products. and new marketing methods, including new online technologies or applications. If we implement any of the changes or additions, some may require a new fee, which you will be assessed; We also reserve the right to delete items from our System which have become obsolete or for any other reason in our sole business judgment.

We reserve the right to institute additional mandatory training programs.

ITEM 13.
TRADEMARKS

We give you the right to use the name “**King Mediterrano”** and other trade names, trademarks, service marks, trade dress and logos we currently use or which we may adopt or approve (the “Marks”) in the **King Mediterrano**. You must follow our rules when you use the Marks. You may only use the Marks exactly as we specify. You may not use any of the Marks in connection with the offer or sale of any unauthorized product or service.

Our affiliate owns the following federally registered trademarks in the United States Patent and Trademark Office, which they have granted to us an unlimited license to use and sublicense If for any reason we lose our license, you will have a direct license and franchise relationship with our affiliate and your franchise will remain in place.

MARK	Registration Date	Registration No.	I.C.
King Mediterrano	June 26, 2018	5501623	035, 043
	July 24, 2018	5523177	035, 043
KING BOWL	June 26, 2018	5503178	029
MEDITERRANO WRAP	June 1, 2018	5461129	029
FEAST LIKE A KIING	March 26, 2024	7339218	035 043
	August 20, 2024	7478041	035 043
	July 9, 2024	7436962	035 043

We (or our affiliate) have filed, or intend to file all renewal affidavits when due, unless we discontinue using a trademark or logo.

There are no presently active determinations of the USPTO or any state or any court, any pending interference, opposition or cancellation proceeding or any pending material litigation involving the Marks that is relevant to your ability to use the Marks in connection with the **King Mediterrano restaurant**. In the unlikely event our right to use any of the trademarks is successfully challenged, you may have to change to an alternative trademark, which may increase your expenses.

Other than our license with our affiliate, there are no agreements that significantly limit our rights to use or license you to use the Marks in any manner material to the **King Mediterrano restaurant**.

You must inform us if you become aware of any misuse or misappropriation of the Marks or anything confusingly similar. You may not start any litigation relating to the wrongful use of the Marks without our prior written approval. We or our affiliate may take whatever action we deem appropriate to protect or defend the Marks or System, but we or they need not take any action.

If a third party sues you claiming that you are infringing the trademark or trade name of the third party by using the Marks, you must inform us immediately. We or our affiliate will determine whether or not to defend and indemnify you in this lawsuit, and if we or they do, we or they have the right to control the litigation including any settlements, for which we or they will indemnify you. However, we or they will not agree to any judgment against you.

It may become necessary in our sole discretion, because of trademark litigation, a decision of the USPTO, or otherwise, to change the Marks. In that event, you must immediately adopt the new or revised Marks and our maximum liability, including for any purported goodwill, is to reimburse you for the actual out-of-pocket costs of changing the principal signs identifying your **King Mediterrano restaurant.**

Other than our affiliate, we do not know of any person claiming or having superior rights to any of the Marks or of any infringing uses of the Marks that could materially affect your use of the Marks.

Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks. You also retain no rights in the Marks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing.

You may not use our Marks, name or the words "**King Mediterrano**" in your corporate or LLC name. You or your corporation or LLC may file a fictitious business name statement in the county where your **King Mediterrano restaurant** is located, with our prior consent as to format of the name.

You cannot, without first receiving our written approval, in the name of the **King Mediterrano restaurant** or in any manner associated with the Marks: (i) donate money, products, or services to any charitable, political, social, religious, or other for-profit or non-profit organization, cause, or position; or (ii) act in support of or against any such organization, cause, or position. You cannot "co-brand" or use the Marks or your **King Mediterrano restaurant** to associate any other business activity in a manner which is likely to cause the public to perceive the activity to be related to or sponsored by the brand or System.

We may change the System presently identified by the Marks, including the adoption of new Marks, new products, new equipment or new techniques and you must adopt the changes in the System. You must comply within a reasonable time if we notify you to discontinue or modify your use of any Mark. Except as provided in this Item 13, we will have no liability or obligation to reimburse you for your modification or discontinuance of any Mark or costs of implementing a new Mark.

ITEM 14.
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not currently own any patents. We and our affiliate claim copyright protection in the Operations Manual and revisions, and all training materials we provide or sell to you and your employees. We and our affiliate have not registered any copyrights but may in the future.

We claim proprietary and copyright protection in all our recipes, in the proprietary spices, and bottled sauced, and any other proprietary ingredients or combination of ingredients we provide to you, or require you to purchase from an approved supplier, now or in the future. You may not copy, reverse engineer or otherwise duplicate or substantially duplicate any of our proprietary spices, bottled sauces, or other proprietary ingredients or our menu items, including the names of the items as used in the **King Mediterrano restaurant**.

The Manual(s), the contents of each, and certain other information We will provide to you, including certain recipes and annual reports on marketing funds expenditures, if required, are all confidential information. All information we provide to you or which you develop in the course of performing under the Franchise Agreement, which is not generally available to the public is our Proprietary Information. You are responsible for protecting all Proprietary and Confidential Information and you cannot transfer them or sell the same to anyone at any time.

You must require each manager and employee to whom you disclose our Proprietary Information to sign a confidentiality agreement. The current form of confidentiality agreement is Exhibit G to the Franchise Agreement.

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

You must either devote your full time and effort to managing and operating the **King Mediterrano restaurant** or delegate its management or operation to a trained manager and must reserve and exercise ultimate authority and responsibility over operation and management. If you delegate management and operation to a manager, the manager must first successfully complete our initial training program before, or within thirty days after assuming the role of manager. If you are a corporation or other entity, each owner must personally guaranty the Agreement and the entity must designate a competent manager. We do not require the designated manager to be an equity owner of the franchised business. You must require each manager and employee to whom you disclose our Proprietary Information to sign a confidentiality agreement. The current form of confidentiality agreement is Exhibit G to the Franchise Agreement. You must sign a personal guarantee. If you are an entity, all your owners must sign a personal guarantee. The current form is Exhibit E to the Franchise Agreement.

ITEM 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale only products and services we approve. You must offer all required products and services under our Marks and following our System. You must obtain your supplies and equipment from suppliers we approve.

We or our affiliate are the only approved supplier for the required Spices mixes.

We have sole discretion in determining what constitutes the **King Mediterrano restaurant** image.

You may not engage in sales through alternative distribution channels or the Internet without Our prior written approval. We are not required to give you such approval.

We may change the System or any part of the System at any time, and as changed it will remain the System. We own any improvements or changes in the System whether we, you or other franchisees develop them and have the right to adopt and perfect such improvements or changes without compensating you. If we modify the System, you must, at your own expense, adopt and use the modification(s) as if they were part of the System at the time you signed the Agreement. There are no restrictions on our right to modify the types of goods and services you will offer that we determine should be offered at all **King Mediterrano restaurant** locations.

You may not use your **King Mediterrano restaurant** for any purposes other than the operation of the **King Mediterrano restaurant** in full compliance with the Franchise Agreement and Operations Manual, without our prior written approval. You must purchase, use and offer each of and only the types, brands and quality of products and services we designate.

You cannot have kisoks or tables for any community events to be located in your **King Mediterrano restaurant;** You cannot use your **King Mediterrano restaurant** location or the **King Mediterrano** name in connection with political positions.

You must operate your **King Mediterrano restaurant** all days and during the minimum hours we prescribe in the Operations Manual, unless local conditions, like terms of your lease, require different days/hours or you obtain our prior written consent. Your operations must comply with all laws, including, but not limited to, laws on packaging, labeling, health and sanitation, environmental waste, and the like. You must investigate these laws and ensure compliance.

Any variation from our mandatory requirements requires our prior written approval. We may grant approval only in exceptional cases in our discretion. Granting an exception to another franchisee does not require us to grant you that *or* any exception. We may add to, modify or discontinue the approved list of menu items, ingredients, preparation processes, or other goods and services you must offer. We communicate changes by written bulletin or revisions to the Operations Manual. There is no limit on our right to impose these modifications. You will be given reasonable time (at least 30 days) after notice from us to implement changes and stop selling particular items which we delete from the approved list.

The remainder of this page is intentionally left blank.

ITEM 17.

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

The Franchise Relationship

	Provision	Section in Franchise Agreement	Summary
a.	Term of the Franchise	Article 1.01	10 years.
b.	Renewal or extension of the term	Article 9.01	One 10-year additional term
c.	Requirements for you to renew or extend	Article 9.02	Be in good standing, sign new agreement, which may contain terms and conditions materially different than your original contract, update or replace equipment, retain location, remodel or refurbish, give 6 months' notice and pay a fee of one-half the THEN current Initial Fee, no unethical conduct or otherwise cause harm to Marks, We must still be offering franchises.
d.	Termination by You	Article 15	As allowable by any applicable law
e.	Termination by Franchisor without cause	None	
f.	Termination by Franchisor with cause	Articles 15(a) and 15(c)	We may terminate only for cause. We may, in lieu of terminating your franchise, terminate your territorial rights and leave your franchise in full force and effect; however, terminating your territorial rights does not limit our rights thereafter to terminate your franchise for the same or a different cause.
g.	"Cause" defined--defaults which can be cured	Anything not listed in Article 15(b)	You have 30 days to cure any breach of the Agreement for which the Agreement does not specify a shorter period. You may be required to complete a remedial program in lieu of termination.
h.	"Cause" defined--defaults which cannot be cured	Article 15(b)	Non-curable defaults: repeated defaults, even if cured; you are adjudged bankrupt; assignment for benefit of creditors; abandonment of business; failure to correct any health codes violation or regulations; premised gets shut down by government, or Landlord; conviction of a felony, unethical or dishonest business dealings; termination of any other agreement between you and us for cause.

i.	Your obligations on termination/nonrenewal	Articles 16.02 & 17	No further use of Marks, telephone numbers, telephone listings, computer software, trade secrets or the Manual; certain notification obligations; payment of sums due to us; We have option to lease or assume lease for your location; sign document(s) to transfer telephone numbers; continuing royalties on pending sales, if any; and We have option to purchase any part of your business assets. If we elect to assume your lease and to operate a **King Mediterrano restaurant** business from your Location, we will purchase of assets (other than the trademarks or franchise license), for appraised value from independent appraiser; You must cooperate in a changeover procedure, in order to facilitate a smooth transition.
j.	Assignment of contract by Franchisor	Articles 12.05 & 14	No restriction on our right to assign if our assignee assumes all of our obligations.
k.	"Transfer" by You--definition	Articles 12.01, 12.03	Includes any assignment, transfer, sale, sublease or encumbrance of the Agreement, the Franchise, the assets of your business, the location lease, or of any ownership interest in the Franchisee if you are a corporation, partnership or limited liability company or other form of Entity.
l.	Franchisor's approval of transfer by franchisee	Articles 12.01, 12.04	Franchisor has the right to approve or disapprove all transfers.
m.	Conditions for Franchisor's approval of transfer	Articles 12.01, 12.02, 12.03, 12.04	You are current in all fees to us; You are not in material breach of the Agreement; You have paid all debts of your business; new Franchisee signs release of claims against Us for representations You made; You sign a mutual termination and release of the Agreement; We receive transfer fee One-half the current Initial Fee; new Franchisee signs the then-current form of Agreement, new Franchisee qualifies; new Franchisee successfully completes initial training program; new Franchisee obtains rights to your location lease, if applicable; and we receive 30 day right of first refusal. The fee to transfer to an entity with identical ownership is $500.
n.	Franchisor's right of first refusal to acquire Your business	Article 12.02(k)	We may match any offer for your business.
o.	Franchisor's option to purchase Your business	Articles 17.05, 17.06	On termination, we may purchase any part of your business at the fair market value of the tangible personal property purchased.
p.	Your death or disability	Article13	Your heirs or personal representative must, within 6 months, either (i) request the right to continue to operate the business, subject to Article 13 of the Agreement except that no transfer fee will be payable, or (ii) sell the **King Mediterrano restaurant** to a third party, subject to Article 13 of the Agreement. The same applies if You become disabled as defined in Article 13 of the Agreement.

q.	Non-competition covenants during the term of the franchise	Article 16.01	No involvement in a “competing business” anywhere.
r.	Non-competition covenants after the franchise is terminated or expires	Article 16.02	Subject to State laws, for 24 months, you must not compete with us within 20 miles of the boundaries of your Territory, solicit or divert any of our customers or vendors or customers or vendors of any other franchisee, disclose any trade secrets, or solicit or hire any of our employees, former employees or franchisees. Subject to State laws, for 24 months, You will not be employed by or in business with any person or entity that does any of those things.
s.	Modification of the agreement	Article 20.12	Only by written agreement; We may modify Operations Manual at any time.
t.	Integration/merger clause	Article 20.11	Only the terms of this Franchise Disclosure Document ad the Franchise Agreement are binding (subject to state law). Any other promises or agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Article 18	Except for actions for the sole purpose of collecting unpaid monies, including franchise fees, royalties or Marketing Fees or to enforce trademark or trade secret rights and covenants against competition, we ad you will settle all disputes by mandatory binding Arbitration.
v.	Choice of forum	Articles 18.01, 18.03	Subject to applicable state law, Litigation or arbitration must be in the state of California.
w.	Choice of law	Article 20.09	Subject to applicable state law, the law of the state of California applies except as related to post term non-competition clause, then state where Franchisee is located applies; trademark infringement is be governed by Federal laws.

ITEM 18.
PUBLIC FIGURES

We do not currently use any public figure to promote the **King Mediterrano restaurant** franchise.

ITEM 19.
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting **Sarkis Zakarian, 4354 Redondo Beach Blvd. Torrance, California 90504** and the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-wide Outlet Summary
For years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company Owned*	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	1	1	0
	2023	1	1	0
	2024	1	1	0

* affiliate owned.

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

Table 3
Status of Franchised Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
TOTAL	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table 4
Status of Company-Owned Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year*
California	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
TOTAL	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

Table 5
Projected Openings As of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year (2025)	Projected New Company-Owned Outlet In The Next Fiscal Year (2025)
California	0	1	0
TOTALS	0	1	0

Exhibit C contains a list of contact information for current and former franchisees and any franchise who has not communicated with us within 10 weeks of the issuance date of this disclosure. If you buy this franchise your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We have no trademark specific franchisee organization associated with the franchise system being offered in this disclosure document.

ITEM 21.
FINANCIAL STATEMENTS

EXHIBIT A contains our REVIEWED Financial Statements for periods for ended December 31, 2023, and December 31, 2024. We have not been in business 3 years, and therefore and are not required to provide 3 years audited financial statements in this Franchise Disclosure Document.

Our fiscal year ends on December 31.

ITEM 22
CONTRACTS

The following are the contracts and agreements you may be asked to sign, that are included in this Franchise Disclosure Document:

Franchise Agreement-FDD Attachment B
Conditional Lease Assignment, Franchise Agreement, Exhibit C
Assignment of Telephone numbers, Franchise Agreement, Exhibit D
Personal Guarantee-Franchise Agreement, Exhibit E
Electronic Funds Transfer Authorization, Franchise Agreement, Exhibit F
General Release-FDD Attachment G
SBA Addendum- Franchise Agreement Exhibit H

ITEM 23.
RECEIPT

There are two identical copies of the RECEIPT at the end of this Franchise Disclosure Document. Please remove one copy, sign and date it the day you received it, and return it to us, and keep the other copy for your records.

The remainder of this page intentionally left blank.

ATTACHMENT A

FINANCIAL STATEMENTS

KING MEDITERRANO FRANCHISING GROUP, INC.

Report on Reviewed Financial Statements

From February 6, 2023 (Date of Inception) Through December 31, 2023 and
The Year Ended December 31, 2024

KING MEDITERRANO FRANCHISING GROUP, INC.

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Report on Reviewed Financial Statements

From February 6, 2023 (Date of Inception) Through December 31, 2023 and The Year Ended December 31, 2024

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John Samaan, CPA
CERTIFIED PUBLIC ACCOUNTANT

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Member: American Institute of
Certified Public Accountants

California Society of
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Management
of King Mediterrano Franchising Group, Inc.

I have reviewed the accompanying financial statements of King Mediterrano Franchising Group, Inc., which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in shareholder's equity, and cash flows for the periods then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to company's financial data and making inquiries of company owner. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

John Samaan, CPA

John Samaan, CPA
Indian Wells, California
January 6, 2025

75-280 Highway 111, Suite 101-1, Indian Wells, California 92210
Telephone (747) 800-4500 Fax (747) 800-4501 John@JohnSamaanCPA.com

KING MEDITERRANO FRANCHISING GROUP, INC.

Balance Sheets

December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,970	$ -
Shareholders' Loan Receivable	5,000	10,000
Total Current Assets	6,970	10,000
Long Term Assets:		
Total Long Term Assets	-	-
TOTAL ASSETS	$ 6,970	$ 10,000
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities:		
Corporate Income Tax Payable	$ 800	$ -
Total Current Liabilities	800	-
Long Term Liabilities		
Total Long Term Liabilities	-	-
Total Liabilities	800	-
Stockholders' Equity		
Common stock, $1 par value, authorized 10,000 issued and outstanding 10,000 shares	10,000	10,000
Retained Earnings (Deficit)	(3,830)	-
Total Equity	6,170	-
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$ 6,970	$ -

See accompanying independent accountant's report and notes to financial statements.

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KING MEDITERRANO FRANCHISING GROUP, INC.

Statements of Income

From February 6, 2023 (Date of Inception) Through December 31, 2023 and The Year Ended December 31, 2024

	2024	2023
Revenue	$ -	$ -
Cost of Goods Sold	-	-
Gross Profit	-	-
Legal & Professional Fees	3,000	-
Office Expenses	30	-
Total Operating Expenses	3,030	-
Income From Operations	(3,030)	-
Net Income Before Provision For Income Tax	(3,030)	-
Provision For Income Tax	800	-
Net Loss	$ (3,830)	$ -

See accompanying independent accountant's report and notes to financial statements.

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King Mediterrano Franchising Group, Inc.
Statement of Changes in Stockholder's Equity
From The Date of Inception, February 6, 2023 Through December 31, 2023 and The Year Ended December 31, 2024

	2024	2023
STOCKHOLDERS' EQUITY		
Common Stock:		
Common stock, beginning balance	$ 10,000	$ -
Common stock purchased on February 6, 2023	-	10,000
Total Common Stock	10,000	10,000
Additional Paid-in Capital:		
Additional paid-in capital, beginning balance	-	-
Additional paid-in capital for the period ended December 31,	-	-
Total Additional Paid-in Capital	-	-
Retained Earnings:		
Retained earnings (Accumulated Deficit), beginning balance	-	-
Net loss for the period ended December, 31	(3,830)	-
Total Retained Earnings	(3,830)	-
Total Stockholders' Equity	$ 6,170	$ 10,000

See accompanying independent accountant's report and notes to financial statements.
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KING MEDITERRANO FRANCHISING GROUP, INC.

Statements of Cash Flows

From February 6, 2023 (Date of Inception) Through December 31, 2023 and the Year Ended December 31, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (3,830)	$ -
Adjustments to reconcile change in net loss to net cash provided by operating activities:		
Depreciation & amortization	-	-
Increase in corporate income tax payable	800	-
Net Cash Provided by Operating Activities	(3,030)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
None	-	-
Net Cash Provided By (Used For) Financing Activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Shareholders' loan receivable	5,000	-
Net Cash Used For Financing Activities	5,000	-
CHANGE IN CASH AND CASH EQUIVALENTS		
Net Increase in cash and cash equivalents	1,970	-
Cash and cash equivalents, as of the beginning of the year	-	-
Cash and cash equivalents, as of the end of the year	$ 1,970	$ -
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Income Tax Paid	800	-
Interest Expense	-	-

See accompanying independent accountant's report and notes to financial statements.

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KING MEDITERRANO FRANCHISING GROUP, INC

Notes to Financial Statements
Years Ended December 31, 2024, and 2023

NOTE 1 – NATURE OF ORGANIZATION

King Mediterrano Franchising Group, Inc. (the Company) was formed in the State of California on February 6, 2023. The Company didn't have any activity in 2023. The Company is in the business of franchises to a new restaurants

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Company prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) in the United States of America.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported operations of the Company for the period presented. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents - The Company defines cash equivalents as cash and checks available for deposit, and cash in checking accounts, along with all highly liquid investments with original maturities of three months or less.

Revenue Recognition - The Company recognizes revenue in compliance with FASB ASC 606 "Revenue from Contracts with Customers". As such, the Company identifies a contract with a customer, identifies the performance obligation in the contract, determines the transaction price, allocates the transaction price to each performance obligation in the contract and recognizes revenues when (or as) the Company satisfies a performance obligation.

Master franchise grants a conditional license to use and to franchise others to use the Company's operating system and marks in operations of stores within the geographic franchised area. The non-recurring and non-refundable franchise fee is billed based on the schedule of executed franchise agreement, and revenue is recognized over the period of agreement.

Area franchise fee is to grant the right to open franchised shop set in the agreement, in future periods in specific geographic areas. Area franchise fee is billed based on the number of stores open. The Company recognizes related revenue according to the number of stores opened based on the term of the agreement. The pre-opening services provided to franchisees contain separate and distinct performance obligations from the term of the franchise agreement; thus, the revenue will be recognized when a separate performance obligation is satisfied. Franchise renewal fees for future license renewal periods are amortized over the life of the renewal period. Royalty fees are billed based on a percentage of franchise store sales revenue and are recognized on a monthly basis. Brand fund fees are billed annually based on a percentage franchise store sales revenue and are recognized on a monthly basis.

Advertising costs - The Company does not capitalize advertising costs but instead expenses them as they are incurred. The Company didn't expense any advertising costs for the years ended December 31, 2024 and 2023 respectively.

Accounts Receivable - The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Assessing the collectability of customer receivables requires management judgment. The Company determines its allowance for doubtful accounts by specifically analyzing individual accounts receivable, historical bad debts, customer concentrations, customer creditworthiness, current economic and accounts receivable aging trends, and changes in customer payment terms.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Income Taxes - The Company, with the consent of its shareholders, has elected S corporation status since February 2, 2023. As such the income generated is subject to income taxes under section 1372 of the Internal Revenue Code, which provides that, in lieu of corporation income taxes, the members are taxed on their proportionate share of the Company's taxable income. Therefore, no federal income taxes are recorded in the accompanying financial statements.

California state regulations, however, require payment of a franchise tax 1.5% of state taxable income with a minimum of $800 tax due for each year.

NOTE 3 – RISKS AND UNCERTAINTIES - Domestic and international economics continue to face uncertainty related to the impact of the COVID-19 pandemic. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on customers, employees and vendors, all of which are uncertain and can't be predicted.

The management has evaluated subsequent events through January 6, 2025 which is the date the financial statements were available to be issued and is continually evaluating the impact the pandemic might have on its future operations.

ATTACHMENT B

FRANCHISE AGREEMENT

King Mediterrano®

Franchise Agreement

KING MEDITERRANO RESTAURANT FRANCHISE IDENTIFICATION

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KING MEDITERRANO
Franchise Agreement

Franchise Agreement No.: _____

DATED: _____("Effective Date")

BETWEEN: **KING MEDITERRANO FRANCHISING GROUP, INC.**
("Franchisor")

AND:

_____("Franchisee")

_____

_____

TERRITORY: SEE EXHIBIT B

RECITALS

WHEREAS Franchisor has developed a unique system for creating and offering “Mediterranean” menu items under the name “King Mediterrano” and operating and using the trademarks, operation system and using the required equipment, inventory and branded items, (hereinafter the "System");

WHEREAS Franchisor owns the trademark and trade name "**King Mediterrano**" and related logos and marks and trade dress as more fully described in this Agreement (hereinafter the "Marks");

WHEREAS, as between Franchisor and Franchisee, Franchisor is the sole and exclusive owner of all goodwill associated with and to become associated with the Marks, the value of which Franchisee acknowledges;

WHEREAS Franchisee recognizes the advantages and value of the System and Marks and desires to obtain a license for a " **King Mediterrano restaurant**" business (hereinafter sometimes referred to as “**King Mediterrano restaurant**”);

WHEREAS Franchisee recognizes the necessity and value of maintaining high standards and uniformity of appearance, image, products, services and customer relations in conformity with the System as Franchisor may reasonably modify it from time to time;

WHEREAS Franchisee is aware of the risks, business and otherwise, associated with owning a **King Mediterrano restaurant** and has independently evaluated those risks without relying upon any representations from Franchisor or Franchisor's agents regarding revenues, profits or probability of success, excepting only those representations and accompanying cautions contained in Franchisor's Franchise Disclosure Document.—revenues, profits or probability of success being affected primarily by factors beyond Franchisor's control, including Franchisee's skill, personality, diligence and dedication and general regional or local economic or demographic conditions; and

WHEREAS, Franchisor, in reliance upon Franchisee's representations, is willing to provide certain training and other services and to grant a license, but only on the terms of this Agreement, which terms Franchisee understands and accepts and both parties acknowledge to be reasonable and material.

NOW THEREFORE, for and in consideration of the mutual covenants herein set forth, and other good and valuable consideration, the receipt and sufficiency of which each party hereby acknowledges, and each party fully intending to be legally bound hereby, Franchisor and Franchisee mutually agree as follows:

Article 1 – License, Term, Territory

1.01 Term

Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee a non-exclusive license to one and operate one (1) **King Mediterrano restaurant** using the System and Marks for a period of ten (10) years from and after the Effective Date of this Agreement. Franchisee shall be entitled to renew the term in accordance with Article 9.

1.02. Territory

a. Territory. Except as specifically permitted by this Agreement, Franchisee's **King Mediterrano restaurant** shall be the only **King Mediterrano restaurant** to operate within the geographical territory described in Exhibit B hereto (the "Territory"). Franchisor will not locate or open another **King Mediterrano restaurant** in the Territory, either company-owned or franchised, during the term of this Agreement, so long as Franchisee is not in breach of this Agreement. However, there shall be no geographic restrictions upon where customers may come from for any **King Mediterrano restaurant**, company-owned or franchised. Franchisee shall not distribute or publish advertising or otherwise market outside Franchisee's territory except in compliance with this Agreement and the Manual, or otherwise with Franchisor's consent.

b. Exclusions from Territory. The following, and any substantially similar locations, shall be excluded from Franchisee's Territory: Home shows, trade fairs, exhibitions and online product sales of related industry products or equipment. As to such excluded locations, Franchisor shall have the right, directly or indirectly, to sell and distribute goods and services, including those normally offered by Franchisee and using the Marks, without compensation to Franchisee or any other franchisee(s). Franchisor may, directly, indirectly, or through a franchisee or licensee offer products and services under the same or a different trade name or trademark, including within Franchisee's Territory through alternative distribution methods, including through catalogs, mail order, independent retail outlets, and through electronic media, including television, radio, the "Internet" and through other new or emerging commercial technological media. Franchisor shall have no obligation to share any revenues from alternative distribution activities with Franchisee. Without limiting the foregoing, Franchisee shall not, without Franchisor's prior written approval, which approval may be withheld for any reason whatsoever, use the Marks or any part of the Marks or anything similar to the Marks as part of a domain name or in any other manner in connection with any commerce on the Internet or similar media. Franchisee shall not use the Marks in or market through alternative distribution methods without Franchisor's prior written approval, which approval may be withheld for any reason whatsoever.

c. Modifications of Territory. The parties agree that the estimated population (if any identified for the Territory) or other identification of boundaries contained in Exhibit B is a reasonable estimate of the population of the Territory based upon available governmental data. In the event the population of the Territory increases by fifty percent (50%) or more from the estimated population contained in Exhibit B, based upon reliable governmental data (United States Bureau of the Census or successor if in the United States), Franchisor shall have the option of dividing Franchisee's Territory and creating a new Territory, which may include portion(s) of the territories of other franchisees. If, at the time Franchisor exercises the option to modify Franchisee's Territory, Franchisee is in full compliance with all of the terms of this Agreement and has had no notices of default within the prior twelve calendar months, then Franchisee shall have a sixty (60) day first right of refusal to license and operate another **King Mediterrano restaurant** in the newly created territory. If Franchisor's modification of Territory boundaries reduces the size of more than one franchisee's Territory, the franchisees shall receive rights of refusal in the order of the percent(s) of population severed from their respective territories as determined by Franchisor. If the territories of two or more franchisees are reduced by substantially equal percentages of population, the franchisees will receive rights of refusal in the order in which they executed their original franchise agreements for the affected territories.

1.03 ***King Mediterrano restaurant.***

The term "**King Mediterrano**" means a business in which the Franchisee engages in the business of operating a **King Mediterrano restaurant** serving *"Mediterranean" inspired* menu items, other

beverages and approved menu items, and products, to both sit down customers and to go orders, including online ordering. Franchisee will operate under the Marks and using the System (hereinafter the "System"). Franchisor shall have the right to add or delete or change product offerings at any time and Franchisee agrees to comply with such changes.

1.04 System And Marks.

a. Franchisee agrees to operate the **King Mediterrano restaurant** only according to the System and only under the Marks pursuant to the Manual. Franchisor will provide lists of current and new menu items, recipes, approved vendors, and suggested pricing guidelines as part of the System, Franchisee acknowledges that Franchisor owns all rights to the System and the Marks and Franchisee has only such rights as this Agreement grants. For purposes of this Agreement, the "System" includes the rights and obligations set forth in this Agreement, the Operating Manual furnished to the Franchisee as amended from time to time, Franchisor's name, training, formulas, methods of operation, reputation, advertising, system and similar benefits pursuant to which the Franchisee operates the **King Mediterrano restaurant**. Franchisor's unique trade dress is part of the Marks.

b. Unless otherwise first approved by Franchisor in writing or unless otherwise required by applicable law, Franchisee agrees to do business only under the name "**King Mediterrano**". Franchisee shall not use the Marks in any manner not specifically approved by Franchisor, including, without limitation, as part of any domain name or other address on any portion of the Internet or any new medium, including as part of any meta tag(s) or similar use. Franchisor shall provide store location information on Franchisor's main website to Franchisee's location. Franchisee may not create a separate webpage without Franchisor's express consent.

c. Franchisee shall immediately notify Franchisor, in writing, if Franchisee learns of any attempt by any person to infringe the Marks or to wrongfully appropriate the System or any part of it. Franchisor may, in its sole discretion, take whatever action it deems appropriate to protect or defend the Marks or System but is not obligated to take any action whatsoever. Franchisee agrees to fully cooperate with Franchisor in any action anticipated by or taken by or on behalf of Franchisor. Franchisee understands that it may become necessary, in Franchisor's sole discretion, to change, totally or in part, the Marks, as a result of litigation or otherwise. In that event, Franchisee agrees to immediately adopt the new or revised Marks, and Franchisor's maximum liability, including for any purported goodwill, shall be to reimburse Franchisee the actual out-of-pocket costs of changing the principal signs identifying the Premises.

d. Franchisor may change the System or any part of the System at any time, and as changed it shall remain the System pursuant to this Agreement. Franchisor shall own any improvements or changes in the System whether developed by Franchisor, by Franchisee or by other franchisee(s) and shall have the right to adopt and perfect such improvements or changes without compensation to Franchisee or other franchisees. If Franchisor modifies the System, Franchisee shall, at Franchisee's own expense except to the extent specifically provided in this Agreement, adopt and use such modification(s) as if it were part of the System at the time of execution of this Agreement. Franchisor will provide periodic consultation and advice concerning the operation of the **King Mediterrano restaurant** and to generally be of assistance.

e. Franchisee agrees to operate no other business whatsoever, including coin-operated devices, in or about the **King Mediterrano restaurant** or otherwise in connection with the System or Marks without first obtaining Franchisor's written approval; provided that, Franchisee may provide any service(s) or product(s) permitted according to the Manual. Franchisee cannot, without first receiving

Franchisor's written approval, in the name of the **King Mediterrano restaurant** or in any manner associated with the Marks: (i) donate money, products, or services to any charitable, political, social, religious, or other for-profit or non-profit organization, cause, or position; or (ii) act in support of or against any such organization, cause, or position. You cannot "co-brand" or use the Marks or your **King Mediterrano restaurant** to associate any other business activity in a manner which is likely to cause the public to perceive the activity to be related to or sponsored by the brand or System. Franchisee cannot have kisoks or tables for any community events to be located in your **King Mediterrano restaurant;** Franchisee cannot use your **King Mediterrano restaurant** location or the **King Mediterrano** name in connection with political positions. Franchisee acknowledges that Franchisor owns, in connection with the Marks, all goodwill associated with or to become associated with the telephone numbers and telephone listings and agrees to execute an Assignment of Telephone Numbers in the form of Exhibit F, attached.

1.05 Operations Manual.

Franchisor agrees to loan to Franchisee during the term of this Agreement one or more operations manuals whether in hard copy or electric format, and which may include all training materials at any time, including webinars, podcasts, videos, online methods (hereafter referred to collectively as the "Manual"), together with such updates and modifications as Franchisor may from time to time provide to Franchisee. Franchisor may make any changes or modifications in the Manual as in Franchisor's sole judgment are desirable. Franchisee agrees that if there should, at any time, be a discrepancy between the terms of Franchisee's copy of the Manual and the master copy maintained in Franchisor's offices, the terms of the master copy shall prevail. Franchisee agrees, at all times, to conform to the Manual in all respects including to obtain any equipment, fixtures, personnel or technology necessary to do so. The Manual is and shall at all times remain the property of Franchisor and shall be returned to Franchisor upon expiration, termination or nonrenewal of this Agreement for any reason. Franchisee agrees not to make it available to or permit another to make any copies of the Manual or any portion thereof without Franchisor's prior written consent, and that such employees needing to see the manual must sign a confidentiality agreement as indicated in Exhibit I. Franchisee agrees the Manual and all related updates and materials are confidential and constitute Franchisors trade Secrets and proprietary information and may not be disclosed to any unauthorized third parties. Such actions constitute a material default.

Article 2 - Franchise Fees And Advertising

2.01 Initial Fee.

The Initial Fee for the **King Mediterrano restaurant** Franchise is **Thirty Thousand Dollars ($30,000.00).** The Initial Fee shall be paid upon signing of Franchise Agreement. The Initial Fee is not refundable for any reason.

2.02 Royalties.

Franchisee shall pay to Franchisor a weekly royalty as follows:

Zero for the first 3 months the restaurant is open then 2% of

Gross Revenues for months 4-12; then 5% Gross Revenues

The royalties are payable weekly by Electronic Funds Transfer without setoff. Funds must be in Franchisee's designated bank account in time so that Franchisor can obtain them on or before close of business on the Tuesday of the week following the week on which the Royalties are based.

Franchisor may, upon thirty (30) days prior written notice require Franchisee to pay Royalties by check, pre-authorized check, electronic funds transfer or other mechanism or to pay on a different periodic basis. If Franchisee owns more than one **King Mediterrano** franchise, Franchisee shall report and pay royalties for each franchise independently, unless otherwise directed by Franchisor.

2.03 Network Marketing Fee.

a. Franchisee shall pay to Franchisor a weekly Network Marketing Fees, as follows:

1% Gross Revenues

Franchisee shall pay the Network Marketing Fee at the same time and in the same manner as Royalties, without setoff.

b. Franchisor may, in Franchisor's sole discretion, upon at least sixty days prior written notice, increase the Network Marketing Fee percentage up to four percent (4%) of Gross Revenues.

c. Franchisor shall maintain all Network Marketing Fees collected, net of any taxes Franchisor is required to pay on account of having collected the National Marketing Fees, in one or more bank accounts separate from Franchisor's regular account(s). Franchisee authorizes Franchisor to commingle Franchisee's Network Marketing Fees with those paid by other Franchisees. Franchisor will provide, upon request, an unaudited annual accounting to all Franchisees as to the aggregate amount of Network Marketing Fees collected and their use and application by general category, which accounting will generally be prepared within 120 days following the end of Franchisor's fiscal year. Franchisee acknowledges and agrees that each such accounting is a Trade Secret and shall be treated as such according to this Agreement.

d. Franchisor shall use Network Marketing Fees collected, net of taxes and governmental fees, for advertising, marketing and promotion for the benefit of Franchisor's System. Selection of marketing, advertising and promotion location, scope, content, copy, timing and approach shall be by Franchisor and in Franchisor's sole discretion. Franchisor may use some of the funds, in its discretion, for market research, production and administration of the advertising program. Franchisee acknowledges that, not every element of the marketing and promotion program will necessarily directly benefit any specific franchisee, nor in proportion to their contribution. In making its marketing decisions, Franchisor will consider but not be bound by advice from any advisory committee(s) of franchisees recognized by Franchisor.

e. Franchisor shall have no duty to conduct any particular marketing program and if Franchisor does conduct a program, Franchisor makes no representations or warranties regarding the nature of the marketing to be conducted or about how it will affect Franchisee's revenue.

2.04 Management Assistance.

In the event Franchisee requests Franchisor to provide extraordinary management or support services at Franchisee's location or in Franchisee's Territory Franchisee shall pay Franchisor's usual fee for such extraordinary services, which shall be due and payable no later than the second date for payment of royalties following the date of the services. All such extraordinary services shall be arranged as provided in the Manual.

2.05 Gross Revenues.

The term "Gross Revenues" shall mean the full the price of all goods and services sold by Franchisee from or relating to the **King Mediterrano restaurant**, whether or not Franchisee has received cash or other consideration. The only items not included in Gross Revenues is taxes or fees Franchisee is required to collect on behalf of the government and which Franchisee actually remits. Gross Revenues are calculated at the time Franchisee sells the goods or services, without regard to when

the Franchisee receives or expects to receive cash or other consideration therefore.

2.06 Local and Cooperative Marketing.

Franchisee shall spend, on a monthly basis, not less than Five Hundred Dollars ($500.00) on local and cooperative marketing, and up to 1%. Local and cooperative marketing expenditures shall be in addition to the National Marketing Fees paid pursuant to paragraph 2.03. Franchisor may direct Franchisee to deposit some or all of its Local Marketing expenditures into a Local Marketing Cooperative.

a. Local Marketing. In addition to complying with any specific marketing requirements of Franchisor, Franchisee shall place and pay for such other marketing as Franchisee deems necessary and appropriate. Franchisee shall be responsible to assure that all marketing so placed complies with the Manual and serves to enhance and not detract from or harm the Marks and the goodwill attached and to become attached thereto. Franchisee shall promptly send to Franchisor copies of all marketing copy and media used. In the event Franchisor deems any advertisement or marketing technique to be not in compliance with this paragraph, Franchisee shall, immediately upon receipt of a written notice from Franchisor, cease using the subject advertisement or marketing technique and shall thereafter fully comply with this paragraph. If Franchisee violates this paragraph more than two times in any twelve-month period, Franchisor may, in addition to all other remedies available pursuant to this Agreement, require Franchisee to obtain prior written approval of copy and marketing technique for all or certain categories of marketing.

b. Regional Marketing Cooperative. If there are two or more **King Mediterrano restaurant** franchisees in a marketing area, as determined by Franchisor, Franchisor may in its sole discretion form a Regional Marketing Cooperative and Franchisee shall participate in said cooperative and shall contribute such sums thereto as may be assessed by a majority vote of the cooperative. No Regional Marketing Cooperative shall make assessments, of more than 5% of Gross Revenues (Funds contributed to any local marketing cooperative shall be in addition to the National Marketing Fee paid pursuant to paragraph 2.03). Each Regional Marketing Cooperative shall be organized and operate as specified in the Manual.

2.07 Grand Opening.

Franchisee shall, within one month, after the date that Franchisee is open for business, publicize and conduct a grand opening consistent with Franchisor's guidelines. The grand opening shall be appropriate for Franchisee's territory, location, community, competitive environment and similar factors, and must be between $2,500 and $5,000.

2.08 Rebates, Discounts and Allowances.

Franchisee authorizes Franchisor to collect all available rebates, discounts and allowances (RDA) from vendors or others with whom Franchisee does business, provided that, in Franchisor's reasonable business judgment, it is appropriate to collect them. Franchisor shall apply all such funds for purposes of subsidizing Franchisor's cost of franchisee conventions, meetings and incentive programs. Franchisee authorizes Franchisor to commingle Franchisee's RDA funds with those received on account of business conducted by other franchisees.

2.09 Promotions

Franchisee is required to participate in all company-wide promotions, and discount programs including Groupon, or similar coupons. You are required to participate in any gift card program we institute.

2.10 Violation Fee

Should Franchisee be in violation of any provision of this Agreement and fail to cure such violation within the time frame specified by Franchisor, Franchisor may impose a $1,000 violation fee, per violation. In addition, Franchisor may impose a mandatory remedial program depending on the violation.

Article 3 - Reports And Audits

3.01 Records And Reports.

Franchisee shall at all times maintain true and accurate business records in the manner specified by Franchisor. Franchisee shall, on a weekly basis or at such other intervals as specified by Franchisor, provide Franchisor with such report(s), in the form(s) specified by Franchisor, as Franchisor may require, and at such times as Franchisor may require, including, but not limited to, reports of Gross Revenues, reports of business expenses and overhead, customer information, copies of detailed purchase invoices, number and type of transactions, identity of vendors, the amount of marketing expenditures, detailed records of marketing expenditures, copies of inspection reports, and weekly or monthly sales summary. By submitting any reports to Franchisor, Franchisee is certifying that they are true and correct. Within ninety (90) days following the end of each calendar year, Franchisee shall provide Franchisor with a copy of Franchisee's balance sheet and an income and expense statement for the prior year. At the time they are filed, Franchisee shall also provide Franchisor with copies of Franchisee's federal income tax return(s) and state and local excise tax returns, if applicable, together with all exhibits and schedules thereto and all amendments thereafter. Franchisor is authorized to rely upon such reports and financial documents and to disclose them to governmental authorities as and if properly requested. Franchisor may use data from the reports and financial documents in composite or statistical form for any internal purposes in Franchisor's sole discretion. Franchisor is authorized to obtain or verify the information and reports described herein by electronic means from Franchisee's computer(s), at any time, without prior notice, at Franchisor's sole election. Franchisee shall retain all business records for at least five (5) years or such longer period of time as may be required by applicable law

3.02 Failure to Report.

If Franchisee fails, for any reason, to timely deliver to Franchisor any required report with all required information, Franchisor is authorized, without further notice, to assess Royalties and National Marketing Fees for each relevant month and effect an electronic funds or other transfer of such funds calculated as the greater of (a) Franchisee’s average monthly Royalties and National Marketing Fees over the prior twelve months or (b) the average monthly Royalties and National Marketing Fees of all similar franchisees within Franchisee’s region as defined by Franchisor. Franchisee hereby authorizes Franchisee’s bank to make such transfers upon Franchisor’s request. No action taken under this sub-paragraph shall constitute a cure of any breach by Franchisee, an election of remedies by Franchisor or act, in any way, to limit Franchisee’s liability to pay fees under this Agreement.

3.03 Audits And Inspections.

Franchisor shall have the right, at any time, to enter the Premises (either physically or electronically) for purposes of auditing the accuracy of reports submitted and to otherwise verify compliance with the terms and conditions of this Agreement. Should any audit or inspection reveal that Franchisee has underreported the amount of Gross Revenues, Franchisee shall immediately pay to Franchisor the additional amount of royalties and other fees payable on account of the underreporting, plus

interest thereon at the rate of one and one-half percent per month, but not more than the maximum interest allowed by applicable law. If an audit or inspection reveals that Franchisee has underreported Gross Revenues by two (2%) percent or more for any month, then Franchisee shall also pay, immediately, the cost of the audit or inspection. Franchisor may include a "mystery shopper" program as part of its evaluation routine, or inspect the operations through representatives and prepare notices of any failure to adhere to system standards and requirements for correction including timeframes. Franchisee must comply with any remediation required pursuit to such notices.

3.04 Contact With Others.

Franchisor shall have the right, in Franchisor's sole discretion and without further notice to Franchisee or to any other person or entity, to contact any of Franchisee's customers, landlord, accountant, vendors, or other persons within Franchisee's Territory or otherwise for the purpose of verifying the accuracy of any information submitted by Franchisee, for quality assurance or for any other purpose not inconsistent with this Agreement.

Article 4 – Training

4.01 Initial Training.

As a condition subsequent to this Agreement, Franchisee and Franchisee's designated manager, if applicable, shall successfully complete Franchisor's initial training program. The initial training program will be approximately 66 hours in length combined classroom and on the job training; and shall be conducted at such location(s) as Franchisor specifies. The initial training may be conducted, in whole or in part, in an existing **King Mediterrano restaurant** owned by Franchisor, an affiliate of Franchisor or another franchisee. Franchisee's manager, and other employees, if applicable, will be required to execute a Confidentiality Agreement in the form of Exhibit G. In addition, Franchisee shall be responsible for all salaries, compensation, benefits, and living and travel expenses of trainees. After the initial training, Franchisor will be available for such reasonable consultation as Franchisor deems appropriate. Franchisor reserves to itself the exclusive right to determine whether Franchisee and other trainees have satisfactorily completed the training program. If Franchisee and Franchisee's designated manager, if applicable, do not satisfactorily complete the initial training program, Franchisor may require retraining, or if retraining is still unsuccessful, terminate this Agreement. Franchisee acknowledges that such failure to satisfactorily complete the initial training program is grounds for termination of this Agreement with no refunds. At all times, Franchisee or Franchisee's manager in charge of managing the **King Mediterrano restaurant** shall be an individual who has successfully completed Franchisor's manager training program and who otherwise meets Franchisor's manager criteria.

4.02 Manager Training. Any new manager shall successfully complete Franchisor's manager training program within 60 days after assuming the role of manager for a cost of $250 per day per employee after the first 2 people have been trained.

4.03 Employee Training. At all times, Franchisee shall employ only persons who have been properly trained, and if a manager, must have successfully completed Franchisor's training program. In all cases, Franchisee shall be solely responsible for any salaries, compensation, benefits and living and travel expenses of trainees. Franchisee shall ensure that the **King Mediterrano restaurant** is properly staffed with sufficient employees every day, based on the recommendations in the Manual.

4.04 Conventions/Regional Meetings

Franchisee may from time to time, put on a Convention for all franchisees, or Regional Training Meetings for franchisees in a particular region, as determined by Franchisor. When Franchisor puts on these training events and venues Franchisee and/or it's general manager, or other employees, as

the case may be, must attend such events and training venues, at Franchisee's cost. The fee to attend these meetings will be between $0 and $1000 depending on the number of days. Franchisee will be responsible for all travel and lodging costs of the attendees.

4.05 Subsequent Training

Franchisor may require Franchisee and Franchisee's manager and employees to complete additional training at a location determined in Franchisor's sole discretion. Franchisee shall pay Franchisor's current fee for such mandatory training. Franchisee shall, in any event, be solely responsible for all salaries, compensation, benefits, and living and travel expenses of trainees. If Franchisee requests specific additional training on site, Franchisee will pay the current daily rate of $250.

4.06 Training Materials.

Franchisor may, from time to time, provide or make available to Franchisee training materials for providing training for Franchisee's manager(s) and employees. Franchisor may charge a reasonable fee for such materials. Franchisee agrees that all such materials are Confidential and Trade Secrets pursuant to this Agreement. Franchisee agrees to require all of its managers and employees, as applicable, to successfully complete any such training program(s) if Franchisor designates them as mandatory.

4.07 No Warranty of Success.

Franchisor's determination that Franchisee or Franchisee's employee(s) have successfully completed any training shall not be a warranty or representation that the person can or will successfully operate the **King Mediterrano restaurant** or any aspect thereof.

Article 5 - Proprietary Information-Confidentiality

Franchisee will have access during the course of this Agreement to proprietary information that is the property of Franchisor that is Confidential ("Confidential Information"). Confidential Information includes, but is not limited to, customer lists and customer information, preferred vendor lists, the System, the Manual, **King Mediterrano restaurant** layout, design, décor and color schemes, menu items, and other products for sale, marketing materials, industry information, suppliers, vendors, ordering processes, inventory control, pricing guidelines, serving methods and formulas, recipes, and processes and policies, the Training, and other programs, techniques and policies as they may be developed by Franchisor from time to time. Franchisee acknowledges that the Trade Secrets derive independent economic value from not being generally known to, and not readily ascertainable by proper means by, other persons who could obtain economic value from their disclosure or use. Franchisee agrees to not disclose or in any way make available to any unauthorized person(s) any Confidential Information or any information regarding any Confidential Information or any proprietary information made available to Franchisee by Franchisor. Franchisee shall hold all such information in complete confidence. Franchisee will not disclose any Confidential Information whatsoever to any person(s) not employed by or under contract with Franchisee. Franchisee will disclose Confidential Information only to those employees and agents of Franchisee with a legitimate need to know, each of whom Franchisee warrants will be subject to this article. Franchisee shall cause every manager and every employee who has access to Confidential Information to sign a Confidentiality Agreement in the form prescribed by Franchisor, the current form of which is Exhibit G hereto.

Article 6 - Pre-Opening Obligations

6.01 Location And Lease.

Franchisee shall be solely responsible for selecting the location for the **King Mediterrano restaurant**

that complies with the Manual (hereinafter "the Premises"). Franchisee, within 180 days after signing this Agreement, shall select a location, subject to Franchisor's approval. Franchisor will attempt to provide to Franchisee guidelines for selecting a location, and regarding the proposed location. Such information is provided by Franchisor without warranty as to its accuracy or completeness or otherwise. Franchisor has no special expertise in such matters. Franchisee shall not sign a lease, sub-lease or other obligation until after Franchisee has received Franchisor's approval of the location and lease or sub-lease in writing. Approval of the location or the lease or sub-lease by Franchisor does not constitute a representation or warranty by Franchisor that the location will be successful and does not constitute a legal or other opinion as to any term of the lease or sub-lease. Franchisor may require execution of the Conditional Lease Assignment by Franchisee and Franchisee's landlord in the form of Exhibit C, attached, or similar language. If Franchisee fails to select an approved location within 180 days, Franchisor shall have the option of terminating this Agreement. Franchisee acknowledges and agrees that failure to select an approved location within 180 days is cause for Termination of this Agreement with no refund of fees paid. Franchisor will reasonably extend the selection period if Franchisee has made best efforts to select a location and for valid reasons has been unsuccessful.

6.02 Specifications.

Franchisor will provide Franchisee specifications on the design and operations, layout, tenant improvement guidelines and décor specifications. Franchisee's **King Mediterrano restaurant** shall operate only from approved location. Franchisee understands and agrees that, although all **King Mediterrano restaurant** locations will follow a consistent theme, the details of their design may differ slightly from location to location, based upon location requirements, landlord requests, and unique features of the community. Franchisee shall be obligated to update the design of Franchisee's **King Mediterrano restaurant** at Franchisee's expense upon renewal or relocation.

*6.03 Appearance Of **King Mediterrano restaurant***

Franchisee acknowledges that not every **King Mediterrano restaurant** will have identical decor, color schemes and layout. Franchisee agrees to accept Franchisor's subjective evaluation as to what would keep the location and **King Mediterrano restaurant** in compliance with Franchisor's standards. Franchisee agrees, at Franchisee's sole cost and expense, to maintain and update the **King Mediterrano restaurant**, including, but not limited to equipment, displays, fixtures, and interior and exterior decor in accordance Franchisor's standards upon transfer, relocation or renewal of the term of this Agreement.

6.04 Required Equipment, Opening Inventory, Supplies and Branded and Proprietary Items

Franchisee shall acquire, install and use, at Franchisee's sole expense the Required Equipment, Opening Inventory, Supplies, Branded and Proprietary Items. Franchisor does not assist Franchisee with the installation or set up and lay out of these items. The minimum requirements will be in the Operations Manual and Franchisor determine the necessary number of items depending on the size of Franchisee's location. Franchisee understands that the specific list of equipment may be somewhat different for Franchisee's **King Mediterrano restaurant** than for other franchisees or company-owned **King Mediterrano restaurant** on account of differences in the locations, lease terms, demographics or otherwise and that Franchisor shall have the right to modify the list of these items in the Manual or otherwise in writing. Franchisee shall purchase the Required Equipment, Opening Inventory, Supplies, Branded and Proprietary items from Franchisor's approved vendors for these items as well as ongoing purchases of these items. Franchisor, or its affiliate is currently the only approved supplier for the Proprietary spices. Franchisor may, in the future designate alternative approved suppliers for ongoing purchases. Franchisor or its affiliate may become an approved vendor.

6.05 Required Technology and Operation Services

Franchisor will provide Franchisee with a current list of all required technology and operation services, as well as recommended but not required services, to be utilized in Franchisee's **King Mediterrano restaurant,** and will include the approved vendors for such technology and operation services both required and recommended. Franchisee shall acquire and implement all required technology services prior to opening or as needed for operations after opening. Fees for such services shall be established by the vendors and Franchisee shall pay the vendors directly on their terms, including any changes fees such vendors might implement for such services. Franchisor or its affiliate may become an approved vendor at any time. Franchisor may withdraw or change any approved vendor and Franchisee must adhere to the new vendor service. Franchisor may withdraw any technology or operation service from the required list and may elevate any recommended service to the required list at any time upon reasonable notice to Franchisee. Franchisor may institute additional required technology services or operation services, and Franchisee must implement such new service within the time frame required by Franchisor.

Article 7 - Operation of King Mediterrano Restaurant

7.01 Independent Contractor.

Each party to this Agreement is and shall remain an independent contractor and shall control the manner and means of operation of its respective business and shall exercise complete control over and responsibility for all labor relations and the conduct of its agents and employees. Neither party shall be considered or held out to be agent(s), joint venturers, partners or employee(s) of the other, except as specifically authorized by this Agreement. Neither party shall negotiate or enter into any agreement or incur any liability in the name of or on behalf of the other unless, and to the extent, specifically authorized by this Agreement. Franchisee shall prominently display signs at all times in the manner specified by Franchisor, indicating the name of the Franchisee and stating that the **King Mediterrano restaurant** is independently owned and operated. Franchisee's business forms that bear the Marks shall contain Franchisee's name and a statement that the **King Mediterrano restaurant** is independently owned and operated in such form as Franchisor may specify.

7.02 Personal Participation.

Throughout the term of this Agreement, Franchisee shall either devote Franchisee's full time and effort to actively managing the **King Mediterrano restaurant** or delegate its management to a responsible person. Notwithstanding any delegation of authority hereunder, Franchisee shall reserve and exercise ultimate authority and responsibility with respect to the operation and management of the **King Mediterrano restaurant**. If Franchisee employs a manager to run the day-to-day operations, the manager shall be required to attend and successfully complete Franchisor's training program prior to taking over full day-to-day responsibilities, at Franchisee's sole cost and expense (except for Franchisee's first manager whom Franchisor will train at no additional charge to Franchisee for the training—but Franchisee shall be solely responsible for all travel and living costs of trainees). Franchisee shall devote such time and effort to the **King Mediterrano restaurant** as Franchisee determines, but shall reserve and exercise ultimate authority and responsibility with respect to the operation and management of the **King Mediterrano restaurant**.

7.03 Retail Prices.

Franchisor may recommend pricing guidelines and pricing strategies for products and services. Franchisee shall set its own prices, but must participate in limited time promotional or discounts as designated by Franchisor.

7.04 Compliance With Laws.

Franchisee shall be solely responsible, at Franchisee's sole cost and expense, for obtaining and maintaining all necessary or required permits and licenses in order to operate the **King Mediterrano restaurant**. Franchisee is solely responsible for strictly complying with all laws, ordinances and regulation applicable to the **King Mediterrano restaurant**, including, but not limited to, licensing, health, safety, food handling, environmental, consumer and labor regulations. Franchisee is required to maintain an "A" rating from the local Health Department, and to immediately correct any health and safety violations.

7.05 Franchisee Business Operation.

a. The System. Franchisee understands and acknowledges that every detail of the System and of the operation of the **King Mediterrano restaurant** is important to both Franchisee, Franchisor as well as other **King Mediterrano restaurant** franchisees in order to maintain and further develop high and uniform operating standards, to increase the demand for the menu items sold by all franchisees, to enhance the image of Franchisor and the Marks, and to protect Franchisor's reputation and goodwill. Therefore, Franchisee agrees that:

b. Compliance with Manual. Franchisee shall operate the **King Mediterrano restaurant** in conformity with such uniform methods, standards and specifications as Franchisor may prescribe, in the Manual or otherwise, to ensure that the highest degree of quality and service is uniformly maintained. Franchisee shall acquire and maintain, at all times, all equipment, inventory, supplies and branded items as required by Franchisor for operation of the **King Mediterrano restaurant**. Franchisee shall offer all of the menu items designated by Franchisor and no others without the written consent of Franchisor, which consent Franchisor may withhold for any reason. Franchisee shall assure that all telephone calls are answered live in compliance with the Manual.

c. Image. Franchisee shall, at all times, work to protect and enhance Franchisor's image and, specifically, shall maintain employees or workers in the **King Mediterrano restaurant** whose appearance, attire, attitude, reputation and demeanor are consistent with Franchisor's image. Franchisee acknowledges and agrees that Franchisor shall have sole discretion in determining what constitutes Franchisor's image, and further acknowledges that said image is constantly evolving as markets change and evolve.

d. Business Dealings. Franchisee shall not, at any time, engage in any business dealings in relation with the **King Mediterrano restaurant** or the Franchise which are unethical, dishonest or otherwise, could cause harm to the Marks, Franchisor, the goodwill associated with the Marks, or to any customer or vendor of Franchisee.

e. Maintenance. Franchisee shall, at Franchisee's sole cost and expense, maintain the location, inside and out, in the highest degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including without limitation, such periodic cleaning, repainting, repairs to impaired equipment and replacement of obsolete signs and equipment as Franchisor may reasonably direct. Franchisee shall maintain all landscaping and other outside areas of the premises in an attractive and clean condition.

f. Refurbishing. Upon Franchisor's notice, or upon relocation or renewal of the term of this Agreement, Franchisee shall update the **King Mediterrano restaurant** at Franchisee's sole expense, to conform to the design, trade dress, color schemes and presentation of the Marks consistent with Franchisor's then-current image, including, without limitation, inside and out, to include such modifications and upgrades to equipment as may be necessary to bring Franchisee's location into upgraded condition.

7.06 Restrictions On Sources of Products and Services.

a. Specifications. As to all equipment, inventory, supplies, and branded items and inventory ("Items") necessary to operate the **King Mediterrano restaurant**, Franchisee must purchase such items from Franchisor and/or Franchisor's approved vendors/suppliers. If Franchisor or an affiliate become an approved vendor, Franchisor or its affiliate may derive revenue and profits from Franchisee's purchases of any required Items. Franchisor reserves the right to change the list of Items that Franchisee must purchase in accordance with specifications. Franchisor reserves the right to require Franchisee to purchase only from suppliers that Franchisor has approved. Franchisee shall, at all times, maintain a sufficient inventory of inventory items, and supplies for sale so that the **King Mediterrano restaurant** can operate at maximum capacity.

b. Other Suppliers. Franchisor will approve other suppliers of non-proprietary items if Franchisee or the supplier request the approval in writing and if the supplier demonstrates to the satisfaction of Franchisor that it is financially capable and can provide Item(s) or service(s) that meet Franchisor's standards and that it is willing and able to protect Franchisor's proprietary information. Franchisor may charge a reasonable fee to cover its costs in evaluating a proposed supplier. Franchisor will normally make its decision within thirty days after it receives all of the requested information and any requested samples. Franchisor reserves the right to withdraw approval of any supplier whose performance falls below Franchisor's standards.

c. Unspecified Products. Franchisee may obtain any Item used in the **King Mediterrano restaurant** that Franchisee is not required to purchase in accordance with specifications or from an approved supplier from any source, so long as the Item is consistent with Franchisor's image. Should Franchisor later publish specifications or require use of an approved supplier, Franchisee shall comply with that requirement.

d. Recipes/Proprietary Spices and Sauces. The **King Mediterrano restaurant** menu recipes, Spices, and Sauces are proprietary and confidential, and contain one or more unique characteristics or ingredients which are either not known to the general public and which are subject to protection as intellectual property or Trade Secrets. Franchisor or its affiliate may develop additional recipes, spice combinations, sauces, or other ingredients, products, menu items, which will be our Proprietary Items.

e. New Inventions by Franchisee. Should Franchisee seek to offer a new sauce or menu item which it invented, it must first obtain Franchisor's express consent, and acknowledge that Franchisor may utilize the same new sauce or new item throughout its network of stores, without compensation to Franchisee, and Franchisee must further acknowledge that such new invention shall become the proprietary property of Franchisor.

f. Proprietary Software. We do not have any proprietary software at this time but reserve the right to create, and implement such software into the system and if we do you must purchase and implement it. We may in the future require you to purchase and install and use any upgraded POS system or computer hardware and software.

7.07 Minimum Hours/Days.

Franchisee shall keep the **King Mediterrano restaurant** open to the public every day of the year except Christmas, unless otherwise specified by Franchisor or agreed in writing by Franchisor or unless required by law or by a lease approved pursuant to this Agreement. The normal hours of operation shall be from generally every day from 11am till 9pm depending on the lease restrictions and, subject to seasonal adjustments; however, Franchisor, in its sole discretion may, from time to time specify different hours of operation. Franchisee may request different hours for good cause. The dates and hours of operation may not be the same for all **King Mediterrano restaurant** franchisees,

even in the same general area, because of local conditions. Should the King Mediterrano concept be modified by Franchisor such that the restaurant will begin to serve breakfast in the future, franchisee must offer breakfast and adjust is opening hours earlier.

7.08 Signs. Franchisee agrees to obtain, install and maintain on the **King Mediterrano restaurant** premises in the **King Mediterrano restaurant**, appropriate signs bearing the Marks as specified by Franchisor. Any deviation from the required signage shall be subject to Franchisor's prior written approval.

7.09 Computer System.

Franchisee shall purchase any specified computer hardware and software ("Computer System") for use in operation of the **King Mediterrano restaurant** as required by Franchisor. (Currently TOAST POS items). In addition, Franchisee may be required, from time to time, to purchase replacement hardware or software or software upgrades, all of which Franchisee shall install and use as required by Franchisor, including, without limitation, point of sale and communications software and hardware. Other than the TOAST POS items Franchisee may obtain other elements of Computer System and related components and services from any source as long as the equipment, software and service meet or exceeds Franchisor's specifications. Franchisee shall be solely responsible for maintenance, repair and replacement of the Computer System. Without limiting the applicability of this paragraph, Franchisee shall, at all times, use and maintain the software as required by Franchisor. Franchisor may change the POS system to keep up with new changes and features and advancement of the system and Franchisee shall promptly implement the new POS system. Franchisee shall not block or attempt to block or limit Franchisor's access, including electronically, to any data or programs contained on Franchisee's Computer System and Franchisee shall maintain information relating to the **King Mediterrano restaurant** only on the Computer System(s) to which Franchisor has access.

7.10 Communications Equipment and Systems.

Franchisee shall purchase/license or otherwise obtain and use in the **King Mediterrano restaurant** communications equipment or systems and service, including any technology apps/subscriptions, or software as required by Franchisor and shall update or replace such equipment, systems and service as required. Except as otherwise required or permitted by this Agreement or by applicable law, Franchisee shall use only the communications systems, technology apps/subscriptions, and software, designated by Franchisor in communicating with Franchisor and other franchisees relating to the **King Mediterrano restaurant**. Franchisor shall have a proprietary interest in all communications made through any communications systems maintained or provided by Franchisor. Franchisee acknowledges that the provisions of this paragraph are reasonable and necessary and beneficial to the **King Mediterrano** franchise system. Franchisee shall monitor and respond to all communications in a timely manner as specified in the Manual.

7.11 Equipment Maintenance.

Franchisee shall be solely responsible, at Franchisee's cost and expense, for maintaining, repairing, and replacing, when appropriate, all equipment required or recommended.

7.12 Warranties.

Franchisee shall not represent to any customer or the public that Franchisor provides any warranty as to the quality of any product or service, unless Franchisor has specifically authorized such warranty in writing. If Franchisee offers any warranties, they shall be in writing and shall clearly state, both in the warranty and in any promotional or advertising materials, that the warranty is available and will be honored only by Franchisee. Franchisee hereby indemnifies, holds harmless and agrees to defend Franchisor, its related companies and all other **King Mediterrano restaurant** franchisees from any and

all claims of whatever nature arising from any such additional warranties made by Franchisee. Franchisee shall participate in and comply with any warranty program that Franchisor may adopt from time to time.

7.13 Marketing.

Franchisee shall, at all times, comply with the Manual in all advertising, including, but not limited to using exclusively Franchisor's toll-free number when required. Franchisee shall not use television, radio or Internet advertising unless in full compliance with the Manual.

7.14 New Developments.

Franchisor shall be the sole and exclusive owner of all new developments, including inventions, methods, products, ideas, formulas, research results, marketing, equipment, and otherwise, that Franchisee develops or has any role in developing that relate to the **King Mediterrano restaurant**. Franchisee shall immediately disclose any and all such new developments to Franchisor and shall execute any documents necessary, in Franchisor's opinion, to consummate the transfer of all ownership rights therein. The mutual covenants of this Agreement are sufficient consideration for such transfers. Franchisor shall not, otherwise, be required to compensate Franchisee for such new developments.

7.15 Staffing.

Franchisee shall, at all times, ensure that they have the minimum staffing as recommended in the Manual, sufficient for optimal operations on a daily basis. Depending on the customer flow, the recommendation is no less than one business manager, two cooks, and one cashier. Franchisee is fully responsible for all hiring, supervising and firing decisions. Franchisor does not participate in any employee relations or functions of Franchisee's employees, other than the formal training that is required.

Article 8 - Indemnity And Insurance

8.01 Indemnity.

Franchisee shall defend, hold harmless and indemnify Franchisor, its officers, directors, shareholders, agents, employees, landlords and related companies from any and all losses, claims, damages, liabilities, or expenses of any kind or nature, including fines, penalties, interest, attorneys' fees, and all other types of costs or expenses, arising directly or indirectly from the acts or omissions (whether or not negligent or wrongful) of Franchisee or of any of Franchisee's manager(s), employees or agents in connection with the performance or breach of any obligation under this Agreement.

8.02 Insurance.

Franchisee shall purchase and maintain, at Franchisee's expense, throughout the term of this Agreement commercial general liability insurance, including bodily injury, property damage, personal injury, advertising injury, non-owned automobile, loss of business income, and broad form contractual coverage for liability assumed under this Agreement. Such insurance shall be on an occurrence basis and shall consist of combined single limit coverage of at least one million dollars per occurrence/two million dollars annual aggregate. Franchise shall purchase and maintain professional liability (errors and omissions) insurance with coverage of at least $1,000,000 per occurrence/$2,000,000 annual aggregate. Franchisee shall purchase and maintain worker's compensation and employer's liability insurance with a reputable insurer acceptable to Franchisor or with a state agency. Franchisee shall provide Franchisor with one or more certificates of insurance evidencing such coverages and naming Franchisor as an additional insured as to each applicable policy. Such certificate(s) of insurance shall

provide that the coverage's under the respective policy(ies) may not be modified (except to increase coverage) or canceled until at least thirty (30) days prior written notice of such cancellation or modification has been given to Franchisor. Upon request by Franchisor, Franchisee shall provide Franchisor with a true copy of any insurance policy, including all endorsements. Every insurance policy of Franchisee required by this Agreement shall provide that coverage is primary/non-contributory. Every insurance policy shall be with an insurance company that meets Franchisor's criteria as set forth in the Manual.

Article 9 - Renewal

9.01 Renewal Term.

Franchisee may renew the Franchise Agreement for one additional 10-year term, subject to the terms and conditions below.

9.02 Conditions Of Renewal.

Franchisee will be permitted to renew Franchisee's Franchise Agreement only upon the following terms and conditions:

a. Franchisee must be current in payment of all fees and charges to Franchisor and any of its related companies and must not have made more than two late payments within the last 12 months for which Franchisor gave written notice(s) of breach, which notice(s) were not withdrawn by Franchisor;

b. Franchisee must not be in material breach of this Agreement or of any other agreement between Franchisor and Franchisee and must have substantially complied with the operating standards and other criteria contained in the Manual or otherwise communicated in writing by Franchisor;

c. Franchisee shall pay a renewal fee as established at the time by Franchisor, but which shall be not more than one -half of the then-current Initial Fee, payable in full at the time of execution of the Franchise Agreement referred to above;

d. Franchisee shall execute the then current form of Franchise Agreement, which may differ in material ways that are not reasonably foreseeable at this time, but may include material differences in territorial boundaries and economic terms, including the amount of royalties and National Marketing Fees or entirely new categories of fees or mandatory expense;

e. Franchisee must maintain possession of the location identified in Exhibit A for the renewal term or obtain substitute premises approved by Franchisor;

f. Franchisee, at Franchisee's sole cost and expense, shall remodel or refurbish the **King Mediterrano restaurant** and otherwise modernize and renovate the **King Mediterrano restaurant**, signs and equipment to be consistent with the then current image of the System and to meet Franchisor's then current specifications;

g. Franchisee shall give written Notice to Franchisor at least 6 months, but not more than 12 months, prior to the end of the term of this Agreement of Franchisee's desire to renew; and

h. Franchisee must not, during the preceding term, have engaged in any business dealings in relation with the **King Mediterrano restaurant** or the Franchisee which are unethical, dishonest or otherwise could cause harm to the Marks, Franchisor, any other franchisee, the goodwill associated with the Marks, or to any customer, client or vendor of Franchisee, Franchisor or of another franchisee.

i. Franchisee shall not have had any material health or safety violations during the last 12 months, or any other material violations of this Agreement, although cured.

j, Franchisee must execute a general release.

k. Franchisor must still be offering the sale of franchises, or otherwise chooses to maintain the franchise system in existence.

Article 10 - Continuation

If, following the termination or expiration of this Agreement for any reason, whether voluntary or involuntary, Franchisee continues to operate the **King Mediterrano restaurant** or occupy the location with the express or implied consent of Franchisor, but without a renewal franchise agreement, such continuation shall constitute a month-to-month extension of this Agreement and shall be terminable by either party upon the lesser of (a) thirty (30) days written notice or (b) such shorter notice by Franchisor as would otherwise be applicable in a termination for cause. If Franchisee refuses to execute renewal agreements Franchisee acknowledges and agrees that such situation shall be good cause for termination of the continuation period. Both parties shall continue to be subject to all terms of this Agreement during any such continuation period.

Article 11 - Entity Franchisee

11.01 Entity Definition.

An "Entity" is any form of business organization except for a sole proprietorship and includes all kinds of corporations, limited liability companies, limited partnerships and general partnerships and any other form of business organization involving either multiple equity owners or which attempts to provide limited liability.

11.02 Founding Document Restriction.

If Franchisee is an Entity or becomes an Entity or if Franchisee transfers Franchisee's interest under this Agreement or any interest in the **King Mediterrano restaurant** to an Entity, the founding document(s) of the Entity must provide as follows:

> This [insert type of Entity] shall not enter into any agreement or undertaking which would, directly or indirectly, limit any of the rights or obligations of the [insert type of Entity] or of any owner of the [insert type of entity] under the **KING MEDITERRANO** Franchise Agreement dated _____, __. Any such agreement or undertaking is void.

11.03 Liability Of Owner(s).

Every owner of an equity or other interest in any Entity franchisee (and any individual person who is an owner of an Entity which owns any equity interest in any Entity franchisees) shall personally guaranty this Agreement. Any change in or addition of equity or other owner(s) shall be subject to the Assignment and Death and Incapacity provisions of this Agreement.

11.04 Restriction On Certificates Of Ownership.

Each and every document, if any, issued by any Entity franchisee evidencing ownership of an equity or other interest in the Entity must provide as follows:

> Ownership of this [insert type of Entity] is restricted and cannot be transferred, assigned, sold or encumbered except in strict compliance with the **KING MEDITERRANO** Franchise Agreement dated _____, ___. Any other

transfer or attempted transfer is void.

11.05 Additional Requirements Of Entity Franchisee.

Franchisee shall, upon Franchisor's request, provide Franchisor or its designee with true copies of such of Franchisee's Entity records and documents as Franchisor shall designate. An Entity Franchisee shall, at all times, have one individual person who shall be the designated principal who shall have authority to act on behalf of the Entity in all respects under this Agreement. The designated principal shall be the individual who is responsible for assuring compliance by the Entity with all of the terms of this Agreement. Notwithstanding the requirement of a designated principal, Franchisor shall be entitled to rely upon the acts or words of any principal, employee or agent of an Entity Franchisee whom Franchisor understands to be acting or speaking on behalf of the Entity.

Article 12 - Transfer

12.01 Prior Consent.

Franchisee shall not transfer, sell, sublease, sublicense or encumber (hereinafter collectively referred to as "Transfer" in whole or in part: a) this Agreement, b) the Franchisee, c) the **King Mediterrano restaurant**, d) the majority of assets comprising the **King Mediterrano restaurant,** e) the majority of ownership in any entity operating the Business, or f) the leasehold of the **King Mediterrano restaurant,** nor represent to any person that such a Transfer has been made without Franchisor's prior written approval. For purposes of this Paragraph 12.01, the term "Transfer" shall include any Transfer, sale or encumbrance of any shares of stock of a Franchisee that is a corporation, any partnership interest of a Franchisee that is a partnership, any membership interest of a Franchisee that is a limited liability company, and any equity or ownership interest or rights in any other form of entity. Any attempted Transfer without Franchisor's prior written consent shall be void and a breach of this Agreement.

12.02 Conditions Of Transfer.

As preconditions for obtaining Franchisor's consent to any Transfer, the following terms and conditions must be met:

a. Franchisee must be current in payment of all fees and charges to Franchisor and any of its related companies;

b. Franchisee must not be in material breach of this Agreement or of any other agreement between Franchisor and Franchisee;

c. Franchisee must have paid in full all debts in connection with the **King Mediterrano restaurant**;

d. The Transferee must have agreed to assume all of the obligations of the **King Mediterrano restaurant**;

e. The Transferee must execute a disclosure form containing a waiver and release of any claim against Franchisor for any amount(s) paid to, or representation(s) made by Franchisee or any omission by Franchisee to disclose facts, material or otherwise;

f. Franchisee must execute, at Franchisor's option, a mutual termination of this Agreement and a general release, and an agreement to defend, hold harmless and indemnify Franchisor from any claim by the Transferee in form specified by Franchisor.

g. The Transferee must pay to Franchisor a Transfer Fee of 30% of the then franchise fee, or 5% of the sale price; whichever is greater, and execute, at Franchisor's option, the then current form

of Franchise Agreement;

h. The Transferee must, in the sole opinion of Franchisor, successfully complete the then current initial training program at the Transferee's sole cost and expense;

i. The Transferee must have met the then current standards of Franchisor for experience, financial strength, reputation and character required of new or renewal Franchisees;

j. The Transferee must obtain such approvals as may be required to assume occupancy and possession and the continuing obligations relating to the lease or possession of the location, unless a new location has been approved in writing by Franchisor; and

k. Franchisor must have been given at least thirty (30) business days written first right of refusal by Franchisee, upon the same terms as those agreed upon by Franchisee with any proposed Transferee; provided, however, Franchisor may substitute cash of equivalent value for any non-cash term. In the event Franchisor waives or fails to exercise its right of first refusal, if Franchisee thereafter agrees to accept a revised offer, regardless of the nature of the revision, Franchisor shall have a new right of first refusal hereunder on the new terms.

l. Franchisor must still be offering franchises for sale or otherwise chooses to maintain the franchise system in existence.

12.03 Franchisor's Right of First Refusal.

Franchisee will not make a transfer without first offering the same to Franchisor in writing, which must contain all material terms and conditions of the proposed sale or transfer. Upon receiving such written Notice from Franchisee, Franchisor will give Franchisee written reply within thirty (30) business days which will either waive Franchisor's right of first refusal to purchase, or will state an interest to purchase the business according to the proposed terms. If Franchisor's commence negotiations to purchase business from Franchisee, Franchisee shall not sell the business to a third party unless Franchisee and Franchisor agree in writing that the negotiations have terminated. If Franchisor waives its right to purchase, Franchisor may complete the sale or transfer of the business according to the terms set forth in the written Notice to Franchisor but not upon more favorable terms to the proposed buyer. Any such sale, transfer or assignment to a third party is expressly subject to the provisions of this Agreement. Franchisee's obligations under this Agreement will not be affected or changed because of Franchisor's non-acceptance of Franchisee's written offer. The proposed sale to the third party must be completed within ninety (90) days, and if the terms are changed prior to this time, Franchisor's right of first refusal begins again.

12.04 Transfer To An Entity.

Notwithstanding the foregoing, if Franchisee is an individual (or various individuals or spouses), Franchisee may Transfer this Agreement to an Entity, as defined in Article 11, formed or authorized to do business under the laws of the state where the **King Mediterrano restaurant** is located, which entity is wholly owned by Franchisee; provided that the individual Franchisee(s) shall first provide written notice of the Transfer to Franchisor and shall all personally guarantee the performance of this Agreement. If Franchisee is an Entity, Franchisee may Transfer this Agreement to another Entity, formed or authorized to do business under the laws of the state where the **King Mediterrano restaurant** is located, of the same or different form, which has exactly the same ownership, including percentages of ownership as Franchisee; provided that each of the individual equity or other owners of the new Entity shall personally guarantee the performance of the Agreement. The personal

guarantee shall be in the form of Exhibit G hereto. No Transfer under this paragraph shall change or limit the liability of any person or entity under this Agreement. Franchisee shall pay to Franchisor a processing fee of five hundred dollars ($2,500.00) for such Transfer pursuant to this paragraph 12.03.

12.05 Approval Process.

Franchisor may use its own discretion in approving or rejecting prospective transferees in the same manner as if it was approving or rejecting any other new prospective franchisee, taking into consideration such factors as their financial ability, character, business reputation, experience and capability to conduct the type of business involved. The approval of one Transfer does not obligate Franchisor to approve any other or subsequent Transfer. If Franchisee is an Entity, notwithstanding any statute or agreement to the contrary, the addition, withdrawal or expulsion of any equity or other owner or the transfer, encumbrance or Transfer of any equity or ownership or control interest of any equity or other owner or the dissolution or reorganization of the Entity for any reason is subject to the same considerations as any other Transfer.

12.06 Transfer By Franchisor.

There shall be no restriction upon Franchisor's right to encumber, or Transfer this Agreement or the System. Following such a Transfer, Franchisor shall have no further obligation or liability to Franchisee hereunder or otherwise so long as the Transferee agrees to assume all of Franchisor's liabilities and obligations to Franchisee. Upon Franchisor's request, Franchisee shall execute and deliver a certificate to Franchisor, as described in Paragraph 21.05, in connection with an anticipated transfer or financing procedure by Franchisor. Franchisee agrees to accept any transferee of Franchisor, including any subfranchisor and perform for such transferee the same as for Franchisor.

12.07 No Sublicensing.

Franchisee shall not, directly or indirectly, sublicense or attempt to sublicense the Marks or the System or any part thereof to any person or entity for any purpose. Any attempted or purported sublicense shall be void.

Article 13 - Death Or Incapacity

13.01 Alternatives Upon Death Or Incapacity.

Subject to state law, in the event of the death or incapacity of an individual franchisee, or of any individual equity or other owner of an Entity franchisee, the heirs, beneficiaries, devisees or legal representatives of said individual shall, within One Hundred eighty (180) days of such event:

a. Apply to Franchisor for the right to continue to operate the franchise and the **King Mediterrano restaurant** for the duration of the term of this Agreement and any renewals hereof, which right to continue to operate will be granted upon the fulfillment of all of the conditions set forth in Article 12 of this Agreement (except that no transfer fee shall be required); or

b. Sell, transfer or convey Franchisee's interest to a third party in compliance with the provisions of Article 12 of this Agreement; provided, however, in the event a proper and timely application for the right to continue to operate has been made and rejected, the One Hundred eighty (180) days to sell, transfer or convey shall be computed from the date of said rejection. For purposes of this paragraph, Franchisor's silence on an application to continue to operate through the One Hundred eighty (180) days following the event of death or incapacity shall be deemed a rejection made on the last day of such period.

13.02 Effect Of Failure To Comply.

In the event of the death or incapacity of an individual franchisee, or any owner of an equity or other interest in an Entity franchisee where the provisions of this Article have not been fulfilled within the time provided, all rights granted to Franchisee under this Agreement shall, at the option of Franchisor, terminate and the parties shall proceed according to and have the rights provided for in Articles 17 and 18.

13.03 Incapacity Defined.

For purposes of this Agreement, "incapacity" is the inability of Franchisee to operate or oversee the operation of the **King Mediterrano restaurant** on a regular basis and in the usual manner by reason of any continuing physical, mental or emotional disability, chemical dependency or other similar limitation which has continued or will more likely than not continue for a period of 60 consecutive days or more. Franchisee shall advise Franchisor in writing, immediately, upon receipt of advice from any physician or other professional that Franchisee or a principal of an Entity franchisee has an incapacity. However, Franchisee's failure or inability to advise Franchisor of Franchisee's incapacity shall not limit Franchisor's rights under this sub-paragraph. Any dispute as to the existence of an incapacity as defined herein shall be resolved by majority decision of three (3) licensed medical physicians practicing in the state in which the **King Mediterrano restaurant** is located, with each party selecting one (1) physician, and the two (2) physicians so designated selecting the third physician. The determination of the majority of the three (3) physicians shall be binding upon the parties and all costs of making said determination shall be borne by the party against whom it is made. Notwithstanding the foregoing, if any insurance company pays to the Franchisee or Franchisee's Entity any disability benefits for 60 consecutive days, or more, of disability, the Franchisor may regard that as conclusive evidence of incapacity.

Article 14 - Assumption of Management

Franchisor has the right (but not the obligation), under the circumstances described below, to assume Franchisee's King Mediterrano Restaurant management (or to appoint a third party to assume its management) for any period of time we deem appropriate, and in this event Franchisee agrees to pay Franchisor (in addition to the Royalty, Marketing Fund contributions and other amounts due under this Agreement) a reasonable per diem fee, plus direct out-of-pocket costs and expenses, for up to 60 days. In such case, Franchisee acknowledges that Franchisor (or the third party) need utilize only reasonable efforts and will not be liable to Franchisee for any debts, losses, or obligations incurred for the King Mediterrano restaurant, nor or to any of Franchisee's creditors for any supplies, products, or other assets, services or purchases for Franchisee's King Mediterrano Restaurant, during such management period.

Franchisor may assume Franchisee's King Mediterrano restaurant management under the following circumstances:

(1) Franchisee abandons or fail actively to operate the King Mediterrano restaurant;
(2) Franchisee fails to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period specified in Franchisor's notice to Franchisee or (3) if this Agreement expires or is terminated and Franchisor is deciding whether to exercise its option to purchase King Mediterrano restaurant under Article 15 below.

If Franchisor assumes management of the King Mediterrano Restaurant under subparagraphs (1), or (2) above, that will not affect Franchisor's right to terminate this Agreement under Article 17 below.

Article 15 - Termination

Franchisee Termination: Franchisee may terminate in accordance with any applicable law.

Franchisor termination:

Except as provided in section b) below, Franchisor may terminate this Agreement as follows:

a. Franchisor may terminate this Agreement upon at least thirty (30) day notice and opportunity to cure (or longer if required by law) if Franchisee is in breach of any term of this Agreement or of any other agreement between Franchisee and Franchisor or any affiliate of Franchisor.

b. Notwithstanding the above, Franchisor may terminate this Agreement immediately and without opportunity to cure for occurrence of any one or more of the following events (each of which Franchisee acknowledges is good cause for termination and a material breach of this Agreement), notwithstanding that Franchisor may have the option to give a longer notice and cure period pursuant to other provisions of this Agreement:

i. Upon three (3) and material breaches of the same term of this Agreement occurring within a twelve (12) month period;

ii. Franchisee files a voluntary petition in bankruptcy or has an involuntary petition filed against Franchisee, Franchisee makes an assignment for the benefit of creditors, or a receiver or trustee is appointed;

iii. Franchisee violates or attempts to violate any of the Transfer provisions of this Agreement;

iv. Franchisee vacates, deserts, or otherwise abandons the **King Mediterrano restaurant** for more than 3 consecutive days, not a planned closing (whether or not Franchisee intends to abandon);

v. Franchisee sublicenses or attempts to sublicense the Marks or the System in violation of this Agreement;

vi. Franchisee is an Entity and an impasse exists between equity or other owners or there is any change in the ownership of any interest in the Entity without having first complied with the provisions of this Agreement;

vii. Franchisee violates or fails to comply with any law, rule, regulation, ordinance or order relating to the operation of the **King Mediterrano restaurant** (including any health codes, rules or regulations) or fails to obtain and continue any license, permit or bond necessary, in Franchisor's opinion, for Franchisee's operation of the **King Mediterrano restaurant**;

viii. Franchisee is convicted of or pleads guilty or "Nolo Contendere" to any felony;

ix. Franchisee fails to operate the **King Mediterrano restaurant** under the Marks or fails to properly display the Marks at all times in full compliance with this Agreement and the Manual;

x. Franchisee engages in any business dealings in relation with the Franchise, the **King Mediterrano restaurant** or the Franchisee which are unethical, dishonest or otherwise could cause harm to the Marks, the System, Franchisor, other franchisees, the goodwill associated with the Marks, or to any customer, client or vendor of Franchisee or any other franchisee or the Franchisor;

xi. Franchisee fails or refuses to timely execute and deliver a truthful certificate pursuant to paragraph 20.05;

xii. Franchisee fails to maintain insurance or workers compensation coverage; or

xiii. Any other agreement, including any other Franchise Agreement to which Franchisee is a party, between Franchisee and Franchisor or between Franchisee and any of Franchisor's related companies is terminated for cause.

c Notwithstanding any right of Franchisor to terminate this Agreement, pursuant to this Agreement or otherwise, Franchisor may, in Franchisor's sole discretion, elect to not terminate this Agreement and to, in lieu thereof, impose limitations on Franchisee, including, but not limited to, revocation of Franchisee's Territorial rights, and revocation of Franchisee's rights to acquire or offer and sell certain products and services or implement a remedial program which Franchisee must participate at Franchisee's cost. Franchisor's election to not terminate this Agreement pursuant to this paragraph shall not constitute an election of remedies and Franchisor may, thereafter, terminate this Agreement on account of the same or any other event(s) of default as set forth herein. In addition, depending on the violations, Franchisor may impose a mandatory remediation program, which Franchisee must successfully complete in the timeframe indicated.

Article 16 - Competition With Franchisor

16.01 Competing Business Activities During Term.

During the term of this Agreement, Franchisee shall not engage, directly or indirectly, either personally or as an employee, partner, member, manager, franchisor, franchisee, agent, consultant, shareholder, director, officer, advisor or otherwise, in any other business the same as or similar to that defined under "**King Mediterrano**" herein or which is or would directly or indirectly compete with the **King Mediterrano restaurant** or otherwise with the business of Franchisor or with any other franchisee of Franchisor. This prohibition includes, but is not limited to, any business operating a **King Mediterrano restaurant**. Franchisee shall not operate any other business from the location. Franchisee shall not use nor permit to be used any Confidential Information of Franchisor or the Marks or anything resembling the Marks in connection with any other business, whether or not such other business is owned, controlled by or associated with Franchisee.

16.02 Competing Business Activities After Term.

a. Franchisee covenants and agrees that, for a period of twenty-four (24) months following the effective date of any termination, expiration or non-renewal ("the Termination Date"), Franchisee will not, individually or together with another, directly or indirectly, on its own behalf or on behalf of or through any other person, sole proprietorship, or Entity, do any of the following:

i. Compete with Franchisor or any franchisee of Franchisor within a twenty-mile radius of the boundary of Franchisee's designated Territory, as it existed immediately before the Termination Date, in the operation of a any business eatery which serves mediterranean inspired menu items and meals which account for at least 20% of the eatery's revenues (Competing Business";

ii. Solicit, take away, or divert, and/or influence or attempt to influence any customers, franchisees, vendors, clients, and/or patrons of Franchisor or of any franchisee of Franchisor, to transfer or divert their business or patronage to any Competing Business;

b. Franchisee covenants and agrees that, at no time will Franchisee, directly or indirectly, disclose or cause or permit to be disclosed, sell, give away or otherwise transfer to any party the Confidential Information or Trade Secrets, or any part thereof;

c. Franchisee covenants and agrees that, for a period of twenty-four (24) months from the Termination Date, Franchisee will not, individually or together with another, directly or indirectly,

through others or on its own behalf, hold any ownership or have a financial or other interest in, be employed by, or otherwise have any ownership or management relationship with, any person or Entity, either as principal, broker, member, agent, stockholder of any class, or as a partner, officer, director, trustee, franchisee, franchisor, employee, consultant, lender, guarantor, member of a board of directors or board of trustees, or in any other capacity, which does any of the above in 16.02 (a) and(b).

d. Franchisee acknowledges and agrees that, except as otherwise provided by state law to the contrary, the periods of time of this covenant and the geographical areas of restriction imposed by this covenant are fair and reasonable and are reasonably required for the protection of Franchisor and its franchisees. Franchisee would desire at least this same protection against competitive activities by another former franchisee whose franchise agreement was either expired, terminated or non-renewed. Franchisee agrees that, in the event a court or arbitrator should determine any part of this covenant to be excessively broad, unenforceable, and/or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof. Franchisee further agrees that, in the event that any of the provisions of this Agreement relating to the geographic area of restriction or the periods of time of the covenants shall be deemed to exceed the maximum area or periods of time which a court of competent jurisdiction would deem enforceable, the geographic area or periods of time shall, without further action on the part of any person, be deemed to be modified, amended and/or limited, to the maximum geographic area or time periods which a court of competent jurisdiction would deem valid and enforceable in any jurisdiction in which such court shall be convened. Any such modification shall apply only in the jurisdiction of the deciding court or in the state where the arbitrator made the decision.

e. It shall not be a violation of this Article for Franchisee to have or maintain a passive investment in stock of any publicly traded corporation, provided said stock holdings shall not exceed five percent (5%) of the issued and outstanding stock of such corporation.

f. For purposes of this Agreement, all references to Franchisor shall be deemed to include: (i) any corporation or entity which acquires all, or substantially all, of the assets of Franchisor, whether by statutory merger or otherwise, (ii) any corporation, partnership, or other entity directly or indirectly controlled by or under common control with Franchisor or its successor, and (iii) any subfranchisor or other Transferee of Franchisor.

g. Franchisee agrees that it would be extremely difficult to prove with certainty the exact amount of damages caused to Franchisor by a violation of this Article 16 by Franchisee and therefore, Franchisee agrees that, upon proof that Franchisee violated this Article 16, Franchisor shall be entitled to liquidated damages in an amount calculated by multiplying the amount of gross revenues generated by Franchisee or a third party that benefited from the violation during the period of breach and multiplying it by 1.5. Franchisee acknowledges that this results in a reasonable estimate of what Franchisor's actual damages would be and is not a penalty.

h. Franchisee agrees that any violation of the covenants contained in this Article will cause irreparable harm to Franchisor and its other franchisees and may, as a matter of course, be restrained by process issued out of a court of competent jurisdiction, in addition to any other remedies provided by law. In the event of any action for a temporary or permanent injunction to enforce this Covenant, Franchisee hereby waives any requirement of a bond to the extent that any bond would exceed one hundred dollars. The substantially prevailing party in any such enforcement action shall be entitled to recover their attorneys fees and costs incurred therein in addition to any and all other remedies.

i. Nothing in this Article 16 shall obligate Franchisor to take action to enforce this or any other covenant against competition against any other franchisee or former franchisee. Nothing in this Article 16 shall entitle Franchisee to take any action to enforce this or any other covenant against competition

against any other franchisee or former franchisee.

j. The terms of this Article 16 shall survive the termination or expiration of this Agreement for any reason.

Article 17 - Effect Of Termination or Expiration

17.01 Loss Of Rights.

After termination or expiration, Franchisee shall have no further rights to use, in any manner, the System, the Marks, anything similar to the Marks, the telephone numbers, the telephone listings, any proprietary computer software, any trade secrets or the Manual. Franchisee shall immediately notify such persons as Franchisor shall reasonably require of Franchisee's loss of rights thereto. All sums of money due from Franchisee to Franchisor or to any other **King Mediterrano** franchisee as of the Termination Date shall become immediately due and payable. As between the parties hereto, whether or not a Lease Conditional Assignment Agreement has been signed, Franchisor or Franchisor's designee shall have the option, exercisable within sixty (60) days, to assume the lease for the location of the **King Mediterrano restaurant**. If Franchisor elects to assume the lease, Franchisee agrees to cooperate in the transfer, to execute any documents which may be required for Franchisor or Franchisor's designee to assume the lease, and to otherwise take no actions which would interfere with the ability of Franchisor or it's designee to assume the said lease. Franchisee specifically agrees to execute such document(s) as may be necessary to transfer the telephone number(s) to Franchisor or Franchisor's designee. In the event Franchisee or any owner or affiliate of Franchisee owns the location, Franchisee agrees that Franchisor shall have the option to lease the location at fair market value for a term of up to ten (10) years, at Franchisor's election, such option exercisable by Franchisor within sixty (60) days following the termination or expiration date.

17.02 Change Of Identity.

After the termination/expiration date, and if state law where the King Mediterrano Restaurant is located does not enforce post termination prohibitions in Article 16 above, and, if Franchisor is not taking over the location, Franchisee shall immediately refrain from holding itself out to the public in any way as a Franchisee or affiliate of Franchisor or as a former Franchisee or affiliate of Franchisor. If directed by Franchisor, Franchisee shall, at Franchisee's sole cost and expense, make or cause to be made such changes in signs, telephone numbers, buildings or structures as Franchisor may direct to distinguish the location from its former appearance and from other **King Mediterrano restaurant** franchisees. If Franchisee fails to make such changes within ten (10) calendar days, then Franchisor shall have the right to enter upon the location, without liability for trespass or otherwise, and to make or cause to be made such changes at the expense of Franchisee, which expenses shall be paid by Franchisee upon demand. Franchisee shall immediately file the appropriate forms to abandon or withdraw any assumed name certificate or to change the name of its corporation or partnership to eliminate any reference to the System or the Marks. If Franchisee fails or refuses to cooperate with Franchisor, Franchisee hereby appoints Franchisor as its Attorney in Fact to complete the changeover. Franchisee shall immediately return to Franchisor the Manual, all Confidential Information, bulletins, instruction sheets, software, forms, designs, signs, printed matter and other material containing any part of the System or the Marks together with all copies thereof (including electronic or digital copies) that are or have been within Franchisee's custody or control. Franchisee will be responsible for all royalties and damages for the time period it has not complied with the de-identification requirements in this section.

17.03 Changeover Procedure.

Upon termination of this Agreement, either by expiration, non-renewal, or otherwise, if Franchisor or

Franchisor's designee has indicated its intention to assume Franchisee's lease for the location and to operate a **King Mediterrano restaurant** business from that location, the parties agree to cooperate in the changeover of the **King Mediterrano restaurant** to Franchisor, including by taking the steps set forth herein. If Franchisee fails or refuses to cooperate with Franchisor, Franchisee hereby appoints Franchisor as its Attorney in Fact to complete the changeover. In such case, the parties shall: notify the landlord of the change of tenancy pursuant to the Lease Conditional Assignment Agreement or otherwise and Franchisor shall be entitled to take control of the location, including by changing the locks; terminate vendor accounts at Franchisor's option; conduct an inventory of all equipment, fixtures, tenant improvements, supplies and inventory (if Franchisee elects to not participate in the inventory, Franchisor's inventory shall be presumed accurate and complete); Franchisor shall have the right to use Franchisee's equipment, furniture, fixtures and related items for up to sixty (60) days and shall pay or credit Franchisee with the fair market rental value of that use; Franchisor shall be entitled to communicate directly with Franchisee's agents, employees, customers and vendors in order to facilitate a smooth transition to ownership by Franchisor or Franchisor's designee; Franchisor or it's designee shall be entitled to all Gross Revenues received after the date of termination. No action taken pursuant to this paragraph shall constitute a waiver by Franchisor of any claims against Franchisee for any reason. The parties agree that there are no circumstances justifying a stay or delay in implementation of the terms of this paragraph and the parties specifically agree that any claims, including, but not limited to, allegations of wrongful termination, can be separately resolved and that an award of damages would be an adequate remedy. Franchisor shall be entitled to receive royalties on all Gross Revenues received or receivable by Franchisee during any non-compliance period.

17.04 Option To Purchase Certain Assets.

Franchisor shall have and is hereby granted an exclusive option for a period of sixty (60) days from and after the Termination Date, to purchase from Franchisee all of Franchisee's right, title and interest in all or any part of the franchise, Franchisee's **King Mediterrano restaurant** and business assets and/or the location, if applicable, at the fair market value, except as otherwise specifically provided herein, of all assets purchased, but excluding any value for purported "goodwill". Franchisee acknowledges that Franchisor already owns the "goodwill" which is attached to the Marks and the **King Mediterrano restaurant**. Franchisor's notice exercising the option granted herein shall contain a list, at least by major category, of the assets Franchisor is purchasing. Franchisor shall not be obligated to assume any liabilities of Franchisee.

17.05 Payment And Terms.

Franchisor shall pay to Franchisee all sums due pursuant to this Article, and any other sums required by this Agreement or by law, over a period of sixty months, or such shorter period as Franchisor, in its sole discretion, shall elect, with interest thereon at the prime interest rate as published by Bank of America or its successor, if applicable, determined as of the end of the calendar quarter immediately preceding the Termination Date.

17.06 Survival Of Terms.

The terms of this Article 17 shall survive the termination, non-renewal or expiration of this Agreement for any reason.

Article 18 - Arbitration of Disputes.

18.01 Agreement to Arbitrate.

Except as provided below, any controversy or claim or dispute between the parties hereto or between any party hereto and any other person arising out of or relating to this Agreement, the negotiation

thereof, the offer or acceptance thereof, or the performance or breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. This Article shall be governed by the Federal Arbitration Act. Any arbitration shall be before a single arbitrators versed in franchise, licensing or contract law, and shall take place in **Los Angeles County, California**. No party shall join or attempt to join their claims in a single proceeding with the claims of any other party, person or entity even if similarly situated. The prevailing party shall be awarded all costs fees, arbitrators compensation and attorney's fees, from the losing party.

18.02 Conduct of Arbitration.

Unless otherwise specifically required by applicable law, demand for arbitration or proceedings in arbitration, or court proceedings shall not operate to stay, postpone, prohibit or rescind any expiration, termination or non-renewal of this Agreement as provided in this Agreement, and the parties will be limited to their remedy in damages, as determined by the court or arbitrator, for non- renewal or termination found by the arbitrator to be wrongful. Damages would be an adequate remedy for any such wrongs. The court or arbitrator shall not extend, modify or suspend any of the terms of this Agreement or the reasonable standards of business performance set by Franchisor.

18.03 Limited Exceptions to Arbitration.

The requirements of paragraphs 18.01 and 18.02, shall not apply to actions for the sole purpose of collecting unpaid money, including franchise fees, royalties or Marketing Fees pursuant to this Agreement or to actions for the sole purpose of enforcing Franchisor's rights in the Marks (both for injunctive relief and damages), the Confidential Information or the covenant against competition. Such actions and claims are not submitted to arbitration. Any such actions and claims shall be brought in the State or federal courts in **Los Angeles County, California.** Any counterclaims to such actions and claims are submitted to arbitration and shall be subject to paragraphs 18.01 and 18.02.

18.04 Mandatory Pre-Arbitration Meeting

Prior to Franchisee filing a demand for arbitration, the parties are required to attempt to resolve Franchisee's dispute through in person meeting in good faith, at the Franchisor's offices. Upon the Notice by Franchisee for a mandatory pre-arbitration meeting, the parties must agree on a date which the meeting must take place within forty-five (45) days of the Notice, unless otherwise agreed. The parties are responsible for their own costs in attending the meeting.

18.05 Time Limitation

No cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against the Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense or set-off.

Article 19 - Representations Of Franchisee

19.01 Representations

Franchisee represents and warrants as follows:

a. Franchisee is not currently a party to or subject to any contract or agreement, including any other franchise agreement, employment agreement or any covenant not to compete which would

directly or indirectly be breached by entering into this Agreement or which would directly or indirectly prohibit or restrict Franchisee's signing of this Agreement or performance thereunder;

b. Franchisee is executing this Agreement and purchasing the license herein for Franchisee's own account and not as an agent or representative of another (unless for an Entity otherwise named herein and in compliance herewith);

c. Franchisee has not terminated and will not terminate Franchisee's existing employment or cease any other income-producing activity until after franchisee has an approved location, has successfully completed the Initial Training, and is open for business. If Franchisee elects, notwithstanding this sub-paragraph to terminate employment or income-producing activity, Franchisee knowingly assumes the risk of loss of income and does so contrary to Franchisor's advice.

Article 20 - Miscellaneous Provisions

20.01 Non-waiver.

No act or omission or delay in enforcing a right by either party shall waive any right under or breach by the other of this Agreement unless such party executes and delivers a written waiver. The waiver by either party of any right under or breach of this Agreement shall not be a waiver of any subsequent or continuing right or breach.

20.02 Attorneys' Fees.

In the event that legal action is properly commenced in court by either party to enforce this Agreement or to determine the rights of any party, as permitted by Article 18, including any appeal proceeding, the substantially prevailing party, in addition to any other remedy, shall be entitled to receive its reasonable actual attorneys' fees and costs, including expert fees and fees on appeal.

20.03 Severability.

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction or by an arbitration panel, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby, and full effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid, unless such invalidity shall pertain to the obligation to pay fees, in which event this Agreement shall terminate.

20.04 Warranty Of Authority.

Each person signing this Agreement for or on behalf of any party to this Agreement warrants that he/she has full authority to sign and to legally bind the party.

20.05 Estoppel Certificate

In the event that Franchisor is considering Transferring or encumbrancing this Agreement, the System, or any other of Franchisor's rights or assets, or upon request by Franchisor at any time, Franchisee shall, within ten (10) calendar days after Franchisor shall request the same, execute, acknowledge and deliver to Franchisor, a written certificate that (a) this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement as so modified is in full force and effect); (b) the date to which royalties or other charges have been paid in advance, if any; (c) there are not, to Franchisee's knowledge, any uncured defaults on the part of Franchisor or Franchisee hereunder, or specifying such defaults if any are claimed; (d) setting forth the dates of commencement and expiration of the Term of this Agreement; (e) Franchisee

has and knows of no basis for any claims of any kind against Franchisor (or, if Franchisee has or knows of any such claims, a detailed statement of all such claims and a statement that Franchisee has and knows of no other claims); and (f) any other matter upon which certification is requested by Franchisor or a prospective Transferee or encumbrancer. Franchisor may rely upon any certificate given pursuant to this sub-paragraph as may any prospective purchaser or encumbrancer of all or any portion of Franchisor's rights hereunder. Any failure or refusal to timely execute a truthful certificate pursuant to this sub-paragraph shall be a material breach of this Agreement.

20.06 Paragraph Headings.

The various paragraph headings are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement or any portion thereof.

20.07 Recitals.

The recitals preceding the first numbered paragraph of this Agreement are hereby made part of this Agreement as if set forth within the numbered paragraphs. All references to “Franchisee” shall include all owners, parents and subsidiaries of Franchisee if Franchisee is an entity.

20.08 No Third Party Beneficiary.

Nothing in this Agreement shall be construed to give Franchisee any rights as a third party beneficiary or otherwise arising out of any similar or other agreement(s) between Franchisor and any other franchisee(s). Nothing in this Agreement shall be construed to give to any other franchisee or any other person any rights arising out of this Agreement. Any action or inaction by Franchisor with regard to any other franchisee's performance or non-performance as to any term of this or any similar agreement shall not give rise to any claims or rights in favor of Franchisee under this Agreement.

20.09 Choice Of Law.

Except as otherwise specified herein, this Agreement shall be governed by and construed under the laws of the state of California except for claims involving Article 16, which shall be governed by the state in which the **King Mediterrano restaurant** is located.

20.10 Notices.

All notices required or permitted by this Agreement ("Notice” or “Notices") shall be sent to the respective parties at the addresses set forth herein. The place of Notice may be modified by appropriate Notice to the other party. All Notices shall be sent by certified mail, return receipt requested, postage prepaid, personally delivered, or by facsimile, overnight delivery, or telegraph. Notices shall be deemed given at the earlier of (a) receipt by the addressee, including by facsimile or electronic mail, (b) two (2) days following deposit with the United States Postal Service or its successor, with postage prepaid, or (c) immediately upon refusal of delivery by the addressee.

20.11 Entire Agreement.

This document, together with any exhibits and addenda appended hereto, constitutes the full and complete agreement between the parties hereto with respect to the subject matter hereof. There are no verbal or other agreements that affect or modify this Agreement. Any prior or contemporaneous representations, promises, contracts or agreements not contained in this Agreement or the Franchise Disclosure Document presented herewith are hereby fully superseded.

Nothing is this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee.

20.12 Modification.

This Agreement shall not be modified or changed except by a written agreement executed by an

officer of Franchisor. No approval of a deviation from the terms of this Agreement shall be valid unless signed by an officer of Franchisor.

20.13 Effective Date. This Agreement shall have no force or effect unless and until signed by an officer of Franchisor. The effective date shall be the date of such corporate signature. Notwithstanding the order of signatures, this Agreement shall be deemed made and entered into in the state where the **King Mediterrano restaurant** is located.

20.14 Time Of Essence.

Time is of the essence of this Agreement.

20.15 Assignment.

Franchisor shall have the right to assign this agreement without Franchisee's consent, and any such assignee shall succeed to Franchisee's position. Franchisee may only assign this Agreement in accordance with the Transfer provisions of Article 12.

20.16 Both Souses' Signatures Required

Franchisee acknowledges that Franchisor requires both spouses to sign this Franchise Agreement, even if only one spouse will be involved with the **King Mediterrano restaurant,** and regardless of ownership of the franchise business.

Article 21 - Business Risk.

21.01 Business Risk.

Franchisee has been informed by Franchisor that the business venture contemplated by this Agreement involves business risks.

Signatures on next page

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year indicated below, with the effective date as the date signed by Franchisor.

FRANCHISOR:

KING MEDITERRANO FRANCHISING GROUP, INC.

By _____ Effective Date: _____
SARKIS ZARKARIAN, PRESIDENT

FRANCHISEE/SPOUSE:

_____
PRINT NAME

_____ Date: _____
SIGNATURE

_____
PRINT NAME

_____ Date: _____
SIGNATURE

IF FRANCHISEE IS AN ENTITY: Personal Guarantees required if Franchisee is an entity; sign below

_____
Name of Entity, and State formed

_____ Date: _____
SIGNATURE, TITLE

GUARANTORS:

_____
Print Name

_____ Date: _____
Signature

_____
Print Name

_____ Date: _____
Signature

EXHIBIT A

to

Franchise Agreement

Location of King Mediterrano restaurant

The location of Franchisee's King Mediterrano restaurant shall be:

Street Address: _____

City: _____

State: _____

EXHIBIT B

to

Franchise Agreement

Territory

Franchisee's designated Territory shall be defined as follows:

3-mile radius around the King Mediterrano location.

EXHIBIT C

to

Franchise Agreement

Conditional Lease Assignment

This Rider is attached to and is part of that certain Lease, by and between: _____ _____Lessor) and _____ (Lessee) dated _____ for the premises located at: _____

A. **CONDITIONAL ASSIGNMENT:** Lessee hereby conditionally Assigns all of the Lessee's right, title and interest in this lease to **KING MEDITERRANO FRANCHISING GROUP, INC.** (hereinafter, "Franchisor"). This Assignment shall become effective only upon occurrence of any of the following conditions, and upon 30-day notice by Franchisor to Lessor of its option to assume the obligations of and to replace Lessee as the lessee:

l. Termination of the **King Mediterrano** Franchise Agreement by Franchisor.

2. Termination of the lease by Lessor.

B. **CONSENT.** Lessor hereby consents to the said conditional Assignment and hereby agrees that if said conditional Assignment becomes effective, Franchisor shall thereafter be substituted for Lessee as the Lessee in this lease, as of the effective date indicated in Franchisor's on notice to Lessor. Further, Franchisor shall have the right to re-assign the lessee position in the lease to a new Franchisee of Franchisor.

C. **FRANCHISOR'S EXERCISE OF OPTION.** Lessee agrees that at such time as Franchisor exercises its option to become the Lessee under this lease, Lessee will immediately vacate the demised premises without removing any fixtures, parts, or accessories except as authorized in the Franchise Agreement and Lessor will permit Franchisor to enter upon and take possession of the demised premises. Lessor will cooperate in all legal action necessary to remove lessee if lessee refuses to vacate premises.

D. **NOTICE.** Lessor is hereby authorized and directed to rely solely upon written notice by Franchisor of the termination of the **King Mediterrano** Franchise Agreement and exercise by Franchisor of its option to become the Lessee under this lease and is hereby relieved of any and all liability to Lessor for any action it takes in so relying.

E. **DEFAULT BY LESSEE:** Lessor agrees to give Franchisor thirty (30) days prior written notice of its intention to terminate, and all notices of Default under the lease. During the thirty (30) day period Franchisor may cure such default or otherwise exercise its rights under the conditional Assignment.

F. **OPTION TO RENEW:** In the event that Lessee fails to exercise any option which he might have under the lease to renew same prior to the expiration thereof, Lessor agrees to notify Franchisor in writing of lessee's failure to renew the lease and Franchisor shall then have thirty (30) days from the receipt of such notice to exercise any option to renew and replace Lessee as the lessee under the lease.

Dated: _____[effective date]

Date signed:
_____

KING MEDITERRANO FRANCHISING GROUP, INC.
(Franchisor/Assignee)

FRANCHISEE

By _____

_____
Franchisee

_____
Franchisee

LESSOR:
_____

By: _____

Its: _____

EXHIBIT D

to

Franchise Agreement

Assignment of Telephone Numbers

_____ Franchisee/Assignor, in consideration of **KING MEDITERRANO FRANCHISING GROUP, INC.** Franchisor/Assignee granting an **King Mediterrano** franchise contemporaneously herewith, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby Assigns to **KING MEDITERRANO FRANCHISING GROUP, INC.** all telephone numbers and listings utilized or to be utilized by Franchisee/Assignor in the operation of his **King Mediterrano restaurant**. The Assignee hereby assumes the performance of all of the Terms, Covenants, and Conditions of the agreement(s) with the telephone company with respect to such telephones, telephone numbers and telephone listings with the same force and effect as if Assignee had been originally issued such telephone, telephone numbers, telephone listings and the usage thereof. This Assignment is valid on the effective date and is irrevocable. It applies equally to any numbers first used after the effective date. The telephone company is authorized to rely upon this Assignment at any time that it is delivered to the telephone company by Franchisor/Assignee. Assignee and Assignor each agree to hold harmless and indemnify the telephone company from any claims based upon the telephone company's reliance upon this Assignment. Assignee and Assignor each agree to sign any other documents necessary in the opinion of the telephone company to give effect to this Assignment.

Dated: _____[effective date] Date signed: _____

KING MEDITERRANO FRANCHISING GROUP, INC.
(Franchisor/Assignee)

FRANCHISEE
(Assignor)

By _____

_____
Franchisee

_____
Franchisee

Subject telephone number(s):
(as of date of this document)

_____

_____

_____

EXHIBIT E

to

Franchise Agreement

Personal Guaranty

IN CONSIDERATION of and to induce the consent by **KING MEDITERRANO FRANCHISING GROUP, INC.**, a **California** corporation ("Franchisor") to the Assignment of all right, title, and interest in and to the **KING MEDITERRANO** Franchise Agreement dated _____ _____to _____, a _____[Type of Entity and State of organization] ("Franchisee"), [or alternatively, in consideration of and to induce Franchisor's consent for the undersigned to enter into the Franchise Agreement in the Entity form], and for other good and valuable consideration, I/we, and each of us jointly, severally, absolutely and unconditionally guarantee to Franchisor:

1.01 Payment Of Obligations.

The punctual payment and satisfaction of each and every claim, demand, default, liability, indebtedness, right or cause of action of every nature whatsoever, including expenses, damages and fees, now or hereafter existing, due or to become due, or held by Franchisor, its subsidiaries, divisions, or related companies, together with any interest as it may accrue, and all costs, expenses and attorneys fees paid or incurred by Franchisor or its subsidiary, division, or related company in collecting or attempting to collect the obligations of the Franchisee or in enforcing or attempting to enforce this Guaranty; and

1.02 Continuing Performance.

The timely performance of each term, covenant, and obligation of the license set forth in the **King Mediterrano** Franchise Agreement described above. This is a continuing Guaranty which shall apply to the Franchise Agreement and any subsequent renewals, extensions, amendments or modifications thereof, and such renewals, extensions, amendments or modifications shall be conclusively presumed to be covered by this Guaranty without further notice to or acceptance by the undersigned.

2.01 Execution And Delivery.

The undersigned acknowledge(s) and agree(s) that possession of this Guaranty by Franchisor constitutes true and correct execution and actual and proper delivery of same to Franchisor, and the undersigned waive notice of acceptance of this Guaranty and of the incurrence by Franchisee of any liability to which it applies or may apply, and waive presentment and demand for payment thereof, protest, notice of protest and notice of dishonor or non-payment thereof, collection thereof including any notice of default in payment thereof or other notice to, or demand of payment therefore on, any party. The undersigned further waive any right to have security applied before enforcing this Guaranty, any right to require suit against the Franchisee or any other party before enforcing this Guaranty, and any right to subrogation to Franchisor's rights against the Franchisee until the Franchisee's liabilities and obligations to Franchisor are paid and satisfied in full. Payment

by the undersigned shall be made at the office of Franchisor in **California**, or such other location as Franchisor may designate in writing.

3.01 Rights Of Company

Franchisor may, at its option, at any time, without the consent of or notice to the undersigned, without incurring responsibility to the undersigned and without impairing or releasing the obligations of the undersigned, upon or without any terms or conditions and in whole or in part:

3.01.01 change the manner, place or terms of payment or change or extend the time of payment of, renew, or alter any obligation, liability or right of the Franchisee under the Franchise Agreement hereby guaranteed, or any liabilities incurred directly or indirectly hereunder, and the guaranty herein made shall apply to the obligations and liabilities of the Franchisee, so changed, extended, renewed or altered;

3.01.02 exercise or refrain from exercising any rights against Franchisee or others, or otherwise act or refrain from acting;

3.01.03 settle or compromise any liabilities hereby guaranteed or hereby incurred, and may subordinate the payment of all or any part of such liabilities to the payment of any liabilities which may be due to Franchisor or others; and

3.01.04 apply any sums paid to any liability or liabilities of Franchisee to Franchisor regardless of what liability or liabilities of Franchisee remain unpaid. Franchisor may, at its option, without the consent of or notice to the undersigned, apply to the payment of the liability created by this guaranty, at any time after such liability becomes payable, any moneys, property, or other assets belonging to the undersigned in the possession, care, custody and control of Franchisor.

4.01 Irrevocable.

This agreement shall not affect in any manner the right of Franchisor to terminate the Franchise Agreement pursuant to the terms thereof, and this Guaranty shall survive the termination, expiration, or cancellation of the Franchise Agreement. Franchisor may at its option, elect to take no action pursuant to this Guaranty or the Franchise Agreement without waiving any rights under either. The undersigned do further agree that it will not be necessary for Franchisor, in order to enforce the terms of this agreement against them, to first institute suit or exhaust its remedies against the Franchisee or any others. This Guaranty shall operate as a continuing Guaranty and shall be non-revocable, except with the express written consent of Franchisor.

4.02 Joint And Several Liability.

The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" shall mean the undersigned or any one or more of them. Anyone signing this Guaranty shall be bound thereto at any time. Any married person who signs this Guaranty hereby expressly agrees that recourse may be had against his/her community and separate property for all obligations under this Guaranty.

4.03 Successors And Assigns.

This Guaranty shall bind and inure to the benefit of the heirs, executors, administrators, successors, and Assigns of Franchisor and of the undersigned.

4.04 Noncompetition.

The undersigned hereby agree that they shall be individually bound by the provisions of the Franchise Agreement relating to trade secrets, confidentiality, and non-competition.

4.05 Bankruptcy Or Insolvency Of Franchisee.

In the event that a petition in bankruptcy or for an arrangement or reorganization of the Franchisee under any state or federal bankruptcy law or for the appointment of a receiver for the Franchisee or any of its property is filed by or against the Franchisee, or if the Franchisee shall make an Assignment for the benefit of creditors or shall become insolvent, all indebtedness and other obligations of the Franchisee shall, for purposes of this Guaranty be immediately due and payable.

WITNESS our hands at _____, on this the _____day of _____, 20__.

_____
[SIGNATURE]
_____% owner of Franchisee

_____
[SIGNATURE]
_____% owner of Franchisee

_____
[SIGNATURE]
_____% owner of Franchisee

_____
[SIGNATURE]
_____% owner of Franchisee

EXHIBIT F

to

Franchise Agreement

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO KING MEDITERRANO FRANCHISING GROUP, INC. INCLUDING CHECKS AND ELECTRONIC TRANSFERS

Depositor hereby authorizes and requests_____(the "Bank") to initiate debit and credit entries to Depositor's account indicated below drawn by and payable to the order of **KING MEDITERRANO FRANCHISING GROUP, INC..** (the "Company") in checks drawn on such account payable to the Company or by Electronic Funds Transfer, provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Bank's rights with respect to each such charge shall be the same as if it were a check drawn by the Bank and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Bank shall be under no liability whatsoever.

Bank Name: _____

Bank Address:_____

Transit/ABA Number:_____

Account Number:_____

This authority is to remain in full force and effect until the Company has received written notification from the depositor of its termination in such time and in such manner to afford the Company and Bank a responsible opportunity to act on such request.

Store Address: _____

Name of Depositor:_____(Please print Franchisee name)

_____
Date Signed

_____
Signature of Depositor

_____
Signature of Depositor (in case more than 1 depositor)

PLEASE ATTACH ONE VOIDED BLANK CHECK FOR PURPOSES OF SETTING UP BANK AND TRANSIT NUMBERS.

EXHIBIT G

to

Franchise Agreement

Confidentiality Agreement FORM

(For Franchisee's Employees)

This Agreement is made and entered into by and between _____, (hereinafter, "the Employer") and _____, (hereinafter, "Employee").

WHEREAS, Employer is engaged in the business of offering and selling goods and services in connection with a **King Mediterrano restaurant** under the Marks and using the System, pursuant to a franchise agreement with **KING MEDITERRANO FRANCHISING GROUP, INC.** (herein, "**King Mediterrano restaurant");** and

WHEREAS, Employer has a need for a manager or key employee for the **King Mediterrano restaurant**; and

WHEREAS, Employee is willing and able to become a manager or key employee for the **King Mediterrano restaurant**;

WHEREAS, Employer is willing to hire Employee or to promote Employee to the position of manager or key employee of the **King Mediterrano restaurant**, but only upon the terms and conditions set forth herein.

NOW THEREFORE, for and in consideration of the mutual covenants herein contained and other good and faithful consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the parties hereby agree as follows:

Employment.

Employer agrees to employ Employee as _____, and to pay compensation as follows:

_____
_____
_____
_____
_____
_____
_____.

Confidential Information

Employee agrees that all of the information provided to Employee by Employer in the course of employment relating to the **King Mediterrano restaurant**, its operation, management, policies, relationship with its Franchisor, identity of is customers, members and vendors, pricing structures and formulas, product mix, and similar information, constitutes trade secrets. Employee acknowledges that such information has been received only from Employer and that it is not generally available to the public and that it derives independent economic value from not being widely known. Employee acknowledges and agrees that certain items or information to be made available may not, if analyzed in isolation, be trade secrets; however, unless Employer specifically agrees otherwise in writing, all

such items and information, when placed in the context of those things which are Confidential Information if analyzed in isolation, become and are part of the trade secrets and are subject to this Agreement. Employee further acknowledges that should the information be misappropriated or transferred to any third party, the Employer and Employer's Franchisor would suffer irreparable harm. Confidential Information does not include information on public record or readily available from a third party without consent by Employer.

Employer Owns All Incidents

Employer shall be entitled to all of the benefits, profits and other issues arising from or incident to all work, services, and advice of Employee relating to the Confidential Information or arising out of discussions with Employer regarding same, and in any way communicated to Employer or becoming known to Employer during or after the term of employment.

Nondisclosure

Employee shall not at any time or in any manner, either directly or indirectly, divulge, disclose or communicate to any unauthorized person(s) any information regarding any trade secret(s) or any proprietary information of Employer. All such information shall be held by Employee in complete confidence. Such information is important, material, and confidential and gravely affects the effective and successful conduct of Employer's business and goodwill. Should Employee, at any time, cease to be an employee of Employer, Employee shall immediately return to the Employer the originals and all copies of all documents or other media containing or representing trade secrets. Breach of any of the terms of this paragraph shall be a material breach of this Agreement. The terms of this paragraph shall survive termination of this Agreement for any reason. Employee shall be in breach of this Agreement during any month in which Employee or any third party has possession or use of any trade secrets in violation of this Agreement.

Remedies

Employee agrees that, in the event of alleged breach, Employer shall be entitled, in addition to all other remedies available at law or in equity, to a temporary restraining order, a preliminary injunction and other interim relief and that the maximum bond to be required of Employer for such relief shall be ten dollars ($10.00). Employee waives any right to a higher bond. Employee agrees that any action taken by Employer pursuant to this Agreement shall not constitute an election of remedies. In addition to, and not in lieu of, an injunction, Employer shall be entitled to a judgment against Employee for the greater of (a) Employer's actual damages (if provable under the circumstances) or (b) liquidated damages calculated as Employee's average monthly gross compensation for the last six months (or portion thereof) for which Employee was employed by Employer, multiplied by the number of months during which Employee was in breach of this Agreement. The parties mutually agree that the liquidated damages agreed herein are not a penalty, but are a best good faith effort to estimate what Employer's actual damages would be in the event of a breach under circumstances where actual damages may, because of facts known at that time, not be readily susceptible of accurate calculation.

Enforcement By Franchisor

Both Employer and Employee acknowledge and agree that this Agreement is for the benefit not only of the Employer, but also of the Employer's Franchisor, **KING MEDITERRANO FRANCHISING GROUP, INC.,** Employer and Employee each agree that **KING MEDITERRANO FRANCHISING GROUP, INC.** shall have the same right to enforce this Agreement as Employer has; provided only that as between Employer and **KING MEDITERRANO FRANCHISING GROUP, INC.**, they shall be entitled to only one recovery of damages or liquidated damages.

Effectiveness

This Agreement shall become effective when signed and shall be enforceable at any time thereafter.

Non-waiver.

No act or omission or delay in enforcing a right by either party shall waive any right under or breach by the other of this Agreement unless such party executes and delivers a written waiver. The waiver by either party of any right under or breach of this Agreement shall not be a waiver of any subsequent or continuing right or breach.

Attorney's Fees.

In the event that legal action or arbitration is commenced by either party to enforce this Agreement or to determine the rights of any party, including any appeal proceeding, the substantially prevailing party, in addition to any other remedy, shall be entitled to receive its reasonable attorney's fees and costs.

Severability.

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby, and full effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid, unless such invalidity shall pertain to the obligation to pay fees, in which event this Agreement shall terminate.

Warranty Of Authority.

Each person signing this Agreement for or on behalf of any party to this Agreement warrants that he/she has full authority to sign and to legally bind the party.

Paragraph Headings.

The various paragraph headings are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement or any portion thereof.

Recitals.

The recitals preceding the first numbered paragraph of this Agreement are hereby made part of this Agreement as if set forth within the numbered paragraphs.

Choice Of Law.

This Agreement shall be governed by and construed under the laws of the state in which the **King Mediterrano restaurant** Is located.

Notices.

All notices required or permitted by this Agreement shall be sent to the respective parties at the addresses set forth herein. The place of notice may be modified by appropriate registered or certified mailing to the other party. All notices shall be sent by certified mail, return receipt requested, postage prepaid, or personally delivered. Notices shall be deemed given at the earlier of (a) receipt by the addressee or (b) two (2) days following deposit with the United States Postal Service or its successor.

Entire Agreement.

This document, together with any exhibits and addenda appended hereto, constitutes the full and complete agreement between the parties hereto with respect to the subject matter hereof.

There are no verbal or other agreements that affect or modify this Agreement. Any prior representations, promises, contracts or agreements are hereby fully superseded.

Modification.

This Agreement shall not be modified or changed except by a written agreement executed by an officer of Employer. No approval of a deviation from the terms of this Agreement shall be valid unless signed by an officer of Employer.

Date: _____

EMPLOYER

By _____
_____, its _____

Address: _____
_____

EMPLOYEE

_____
Signature

Address: _____

Phone: _____

EXHIBIT H

to

Franchise Agreement

Small Business Administration Addendum

ADDENDUM TO FRANCHISE [1] AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20____ (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the (enter type of) term (excluding additional renewals) for fair market value.

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(3).

COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR:

By: _____

Print Name: _____

Title: _____

Authorized Representative of FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the (type of agreement) system must meet all SBA eligibility requirements.

FRANCHISE DISCLOSURE DOCUMENT

Attachment C

List of Franchisees as of December 31, 2024

FRANCHISEES:

None

Company Owned: (Owned by Affiliate):

4354 Redondo Beach Blvd.,
Torrance, California 90504

FORMER FRANCHISEES
(Past fiscal year, or who have not communicated with Franchisor within past 10 weeks):

NONE

FRANCHISE DISCLOSURE DOCUMENT

Attachment D

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King Mediterrano®

Operations Manual

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FRANCHISE DISCLOSURE DOCUMENT

Attachment E

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

Department of Financial Protection and Innovation,
Suite 750
320 West 4th Street
Los Angeles, CA

Agent: California Commissioner of Financial Protection and Innovation

MARYLAND

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

Agent: Maryland Securities Commissioner 200 St. Paul Place
Baltimore, Maryland 21202-2020

HAWAII

Securities Examiner
1010 Richards Street
Honolulu, Hawaii 96813

Agent: Director of Hawaii Department of Commerce and Consumer Affairs

MICHIGAN

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 Law Building
Lansing, Michigan 48913

Agent: Michigan Department of Commerce Corporations and Securities Bureau

ILLINOIS

Franchise Division
Office of Attorney General 500 South Second Street
Springfield, Illinois 62706

Agent: Illinois Attorney General

MINNESOTA

Minnesota Department of Commerce 85 7th Place East, Suite 500
St. Paul, Minnesota 55101

Agent: Minnesota Commissioner of Commerce

INDIANA

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

Agent: Indiana Secretary of State
Indiana Securities Division 201
State House
Indianapolis, IN 46204

NEW YORK

Investor Protection Bureau
New York State Department of Law
28 Liberty St., 21st FL
New York, New York 10005

Agent:

New York Secretary of State
99 Washington Ave
Albany, NY 12231

NORTH DAKOTA

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

Agent: North Dakota Securities
Commissioner

OREGON

Department of Insurance and
Finance Corporate Securities
Section
Labor and Industries Building
Salem, Oregon 97310

NEBRASKA

Nebraska Department of Banking and
Finance 1200 N Street
P.O. Box 95006
Lincoln, Nebraska 68509-5006

SOUTH DAKOTA

Division of
Securities c/o 118
West Capitol
Pierre, South Dakota
57501 (605) 773-4013

Agent: Director of South Dakota
Division Securities

TEXAS

Secretary of State
P.O. Box 12887 Austin,
Texas 78711

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street 9th FL
Richmond, Virginia 23219

Agent: Clerk of the State
Corporation Commission

Agent: Director of Oregon Department of
Insurance and Finance

RHODE ISLAND

Division of
Securities Suite 232
233 Richmond Street
Providence, Rhode Island
02903

Agent: Director of Rhode Island
Department of Business Regulation

WASHINGTON

Director
Department of Financial
Institutions Securities Division
P.O. Box 9033
Olympia, Washington 98507

Agent: Securities Administrator, Director
of Department of Financial Institutions

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
P.O. Box 1768
Madison Wisconsin 53703

Agent: Wisconsin Commissioner of
Securities

FRANCHISE DISCLOSURE DOCUMENT

Attachment F

State Specific Addenda

California Addendum to Franchise Disclosure Document and Franchise Agreement

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a requirement for us to maintain a surety bond under California Corporations Code section 31113 and 10 C.C.R. section 310.113.5, which must remain in effect during our registration period. The surety bond is in the amount of **$32,500** with **Travelers Casualty and Surety Company of America** and is available for you to recover your damages in the event we do not fulfill our obligations to you to open your franchised business. We will provide you with a copy of the surety bond upon request.

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

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

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

The Franchise Agreement contains a covenant not to compete that continues after the termination of the franchise. This provision may not be enforceable under California law.

Under both the California Franchise Relations Act and the Franchise Investment Law, a provision in a Franchise Agreement that requires you to waive your rights under either or both of these laws is void. Any release of claims that the franchisor asks you to sign will specifically exclude claims under these franchise laws.

Section 31125 of the California Corporations Code requires the franchisor to give the franchisee a special disclosure document before soliciting a proposed material modification of an existing franchise.

The franchise agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires binding arbitration. The arbitration will occur at Los Angeles County, and the arbitrators have the discretion to assess the costs of arbitration, including reasonable arbitrators' and attorneys' fees in proportions as the arbitrators may determine. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement, restricting venue to a forum outside the State of California.

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

OUR WEBSITE AND WEBSITE ADDRESS WWW.KINGMEDITERRANO.COM HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF EACH PROPOSED AGREEMENT RELATING TO THE GRANT OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Illinois

Many states have status concerning the relationship between franchisor and franchisee. These statutes deal with such matters as renewal and termination of franchises. Provisions of this sort will prevail over inconsistent terms in a franchise agreement. Illinois has such a statute (915 ILCS 705/19 and 705/20).

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

The Franchise Agreement includes a choice of law clause designating another state's law as the governing law. Under Illinois law, a Franchise Agreement may not provide for a choice of law of any state other than Illinois. Accordingly, Item 17 w. is amended to state "none" under the heading for "Summary." The Franchise Agreement is amended to omit Section XXV.

The Franchise Agreement requires franchisee to sign a release of claims as a condition for transfer or renewal of the franchise. Under the law of Illinois, any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise disclosure law of Illinois is void. Accordingly, insofar as the Franchise Agreement requires franchisee to waive franchisee's rights under the Illinois franchise law, these requirements are deleted from the Franchise Agreement. This provision will not prevent the franchisor from requiring franchisee to sign a release of claims as part of a negotiated settlement of a dispute.

Maryland

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

The Franchise Agreement says that franchisor may require franchisee to sign a release of claims, other than claims that may not be waived in advance under applicable law, as a condition of renewal or transfer of your franchise. Under Maryland law, the release will not apply to any liability under the Maryland Franchise Registration and Disclosure law.

Under the Franchise Agreement, franchisee must disclaim the occurrence and/or acknowledge the non-occurrence of acts that might constitute a violation of the Maryland franchise law. These representations are not intended to nor do they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the franchise is granted.

Michigan

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(a) A prohibition on the right of a franchisee to join an association of franchises.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel, which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to
reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

•Failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

•The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

•The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

•The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a

bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

A FRANCHISE SHALL NOT BE SOLD IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST TEN (10) BUSINESS DAYS BEFORE THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OR AT LEAST TEN (10) BUSINESS DAYS BEFORE THE RECEIPT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE STATEMENT DESCRIBED IN THIS STATUTE.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to: Consumer Protection Division
Attn: Marilyn McEwen 670 Law Building
Lansing, Michigan 48913
(517) 373----7117

Minnesota

The Franchise Agreement requires binding arbitration. The arbitration will occur in a state other than Minnesota, with costs being borne by the non----prevailing party. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this provision may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

The Franchise Agreement requires application of the laws of a state other than Minnesota. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this provision may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C. 14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non----renewal of the Franchise Agreement.

The Franchise Agreement requires you to sign a release of claims as a condition of renewing or transferring a franchise. Minnesota Rule Part 2860.4400J prohibits franchisor from requiring franchisee to sign a release of claims arising under the Minnesota Franchise Law. Therefore, any release we require you to sign will exclude claims arising under the Minnesota Franchise Law.

The Franchise Agreement provides that franchisor is entitled to a temporary injunction or decree of specific performance. The Franchise Agreement is amended to provide that we are entitled to seek a temporary injunction or decree of specific performance if we can demonstrate to a court of competent jurisdiction that there is substantial likelihood of franchisee's breach or threatened breach of any of the terms of the Franchise Agreement, not that franchisor is necessarily entitled to obtain this relief.

Under Minnesota law, any claim arising under §80C may be brought within three years after the cause of action accrues. The Franchise Agreement is amended to provide for a three year period within which to bring any Minnesota claims.

New York

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH FRANCHISEE ABOUT ITEMS COVERED IN THIS PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS, WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

Except as stated in Item 3 of this Disclosure Document, neither the franchisor, its predecessor or predecessors nor any person or sales agent identified in Item 2 of this Disclosure Document: (i) has pending any administrative, criminal, or material civil action (or a significant number of civil actions irrespective of materiality) alleging a felony, violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations; (ii) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations; (iii) is subject to any injunctive or restrictive order or decree relating to franchises or under Federal or State franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

Neither the franchisor, its affiliate, its predecessor, officers, nor general partner during the 10----year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership**.**

The introduction to Item 17 is amended to read as follows:

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

The Summary column of Item 17d is amended to read: “You may terminate upon any grounds permitted by law.”

The Summary column of Item 17j is amended to read: “We may assign only to a financially responsible assignee that we reasonably believe is capable of performing its obligations under the franchise agreement and which expressly assumes these obligations in writing.”

The Summary column in Item 17w is amended to add the following: “The foregoing choice of law should not be considered a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33.”

North Dakota

In North Dakota, the Disclosure Document is amended as follows to conform to North Dakota law:

Item 17c is revised to omit any requirement that a general release be signed as a condition of renewal.

Item 17r is amended to add the following: “To the extent that covenants not to compete apply to periods after the term of the franchise, they are generally considered unenforceable in the State of North Dakota.”

Item 17u is amended to omit any reference to the location or mediation or arbitration.

Item 17w is amended to state “None.”

Rhode Island

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

In spite of the provisions of Item 17v and Item 17w of the Disclosure Document, any litigation or arbitration arising under the Franchise Agreement will take place in Rhode Island or other place mutually agreed to by the franchisee and franchisor.

To the extent required by§19-28.1-14 of the Rhode Island Franchise Investment Act, the Franchise Agreement will be governed by the laws of the State of Rhode Island.

South Dakota

The Franchise Agreement includes a covenant not to compete after termination of the franchise. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota, except in certain instances provided by law. The Franchise Agreement provides for arbitration in a state other than South Dakota. Under South Dakota law, arbitration must be conducted at a mutually agreed upon site in accordance with §11 of the Commercial Arbitration Rules of the American Arbitration Association.

The Franchise Agreement designates the law of a state other than South Dakota as the governing law, except that trademark issues are to be under the Lanham Act. Franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota, but contractual and all other matters will be subject to application, construction, enforcement and interpretation under the governing law specified by the Franchise Agreement.

Under South Dakota law, any provision in a Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue outside South Dakota is void with respect to any cause of action which is governed by the law of South Dakota.

Under South Dakota law, termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the Disclosure Document and Franchise Agreement must afford a franchisee thirty (30) days written notice with an opportunity to cur the default prior to termination. Under SDL any condition, stipulation or provision purporting to waive compliance with any provision of this chapter, or any rule or order is void.

An acknowledgment, provision, disclaimer or integration clause or a provision having a similar effect in a Franchise Agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate the South Dakota franchise law or a rule or order under the South Dakota franchise law.

Virginia

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17(h):

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute “reasonable cause” as that term may be defined in the Virginia Retail Franchising Act, or the laws of Virginia, that provision may not be enforceable.

Washington

The State of Washington has a statute, RCW 19.100.180, that may supersede the Franchise Agreement in your relationship with the franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement

in your relationship with the franchisor, including the areas of termination and renewal of the franchise.

In Washington, provisions of the Franchise Agreement which unreasonably limit the statute of limitations or remedies under the Washington Franchise Investment Act, such as the right to jury trial, may not be enforceable.

The Franchise Agreement requires application of the laws of a state other than Washington. If there is a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chap. 19.100 RCW, will prevail.

The Franchise Agreement requires franchisee to sign a release of claims as a condition of renewing or transferring the franchise. A release or waiver of rights signed by a franchise owner may not include rights under the Washington Franchise Investment Protection Act.

Under Washington law, transfer fees may be collected only to the extent that they reflect the franchisor's reasonable estimated or actual costs in connection with the transfer.

FRANCHISE DISCLOSURE DOCUMENT

Attachment G

General Release

This General Release ("Release") is made and entered into on this _____day of _____ _____, 20__by and between **KING MEDITERRANO FRANCHISING GROUP, INC.** ("Franchisor") and _____("Franchisee") with regard to the following Recitals.

RECITALS

WHEREAS, Franchisor and Franchisee are parties to a **King Mediterrano** Franchise Agreement (the "Franchise Agreement") dated_____, 20_____, granting Franchisee the right to operate an **King Mediterrano restaurant** under Franchisor's proprietary marks and system at the following location: _____:

WHEREAS, Franchisee is requesting Franchisor's consent to a transfer, or requesting a renewal term or requesting Franchisor's consent to _____; and Franchisor is willing to grant such consent in consideration for Franchisee signing this Release.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained in this Release, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, the parties hereto agree as follows:

Franchisee, for itself and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasors"), irrevocably and absolutely releases and forever discharges Franchisor and its successors, predecessors, assigns, beneficiaries, executors, trustees, agents, representatives, employees, officers, directors, shareholders, partners, members, subsidiaries and affiliates (jointly and severally, the "Releasees"), of and from all claims, obligations, actions or causes of action (however denominated), whether in law or in equity, and whether known or unknown, present or contingent, for any injury, damage, or loss whatsoever arising from any acts or occurrences occurring as of or prior to the date of this Release relating to the Franchise Agreement, the business operated under the Franchise Agreement, and/or any other agreement between any of the Releasees and any of the Releasors.

The Releasors, and each of them, also covenant not to sue or otherwise bring a claim against any of the Releasees regarding any of the claims being released under this Release.

Franchisee hereby waives the provisions of California Civil Code section 1542, which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

And any other similar provision in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have executed this Release as of the date first above written.

KING MEDITERRANO FRANCHISING GROUP, INC. **FRANCHISEE**

By: _____ _____
Sarkis Zakarian, CEO

_____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below

State	Effective Date
California	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

FRANCHISE DISCLOSURE DOCUMENT

Attachment H

Receipts

Item 23

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all Exhibits carefully.

If **KING MEDITERRANO FRANCHISING GROUP, INC.** offers you a franchise, it must provide this disclosure document to you at least 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. (New York requires the franchisor to provide the franchisee a disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that related to the franchise relationship.)

If **KING MEDITERRANO FRANCHISING GROUP, INC.**, does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state agencies listed in Exhibit E. **KING MEDITERRANO FRANCHISING GROUP, INC.**, authorizes the respective Agents identified on Exhibit E to receive service of process for us in the particular state.

The Franchisor is **KING MEDITERRANO FRANCHISING GROUP, INC.**,
4354 Redondo Beach Blvd. Torrance, California 90504.

The franchise seller(s) involved in offering and selling the franchise to you are:
Sarkis Zakarian, 4354 Redondo Beach Blvd. Torrance, California 90504 PH (310) 370-9438
Ara Zakarian, 4354 Redondo Beach Blvd. Torrance, California 90504 PH (310) 370-9438
Omar Celada 7300 N Kendall Dr, Miami, FL 33156 PH 305-592-9229 Ext 110

I have received a Franchise Disclosure Document, Issued January 6, 2025. This disclosure document includes the following Attachments:

ATTACHMENT A	Financial Statements
ATTACHMENT B	Franchise Agreement with Exhibits and SBA Addendum
ATTACHMENT C	List of Current and Former Franchisees
ATTACHMENT D	Table of Contents for Manual
ATTACHMENT E	State Administrators and Agents for Service of Process
ATTACHMENT F	State Specific Addenda
ATTACHMENT G	General Release
ATTACHMENT H	Receipts

Dated:_____ Franchisee:_____

Dated:_____ Franchisee:_____

KEEP THIS COPY FOR YOUR RECORDS

Item 23

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all Exhibits carefully.

If **KING MEDITERRANO FRANCHISING GROUP, INC.** offers you a franchise, it must provide this disclosure document to you at least 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. (New York requires the franchisor to provide the franchisee a disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that related to the franchise relationship.)

If **KING MEDITERRANO FRANCHISING GROUP, INC.**, does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state agencies listed in Exhibit E. **KING MEDITERRANO FRANCHISING GROUP, INC.**, authorizes the respective Agents identified on Exhibit E to receive service of process for us in the particular state.

The Franchisor is **KING MEDITERRANO FRANCHISING GROUP, INC.**,
4354 Redondo Beach Blvd. Torrance, California 90504 PH (310) 370-9438

The franchise seller(s) involved in offering and selling the franchise to you are:
Sarkis Zakarian, 4354 Redondo Beach Blvd. Torrance, California 90504 PH (310) 370-9438
Ara Zakarian, 4354 Redondo Beach Blvd. Torrance, California 90504 PH (310) 370-9438
Omar Celada 7300 N Kendall Dr, Miami, FL 33156 PH 305-592-9229 Ext 110

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Dated:_____ Franchisee:_____

Dated:_____ Franchisee:_____

RETURN THIS COPY TO:
KING MEDITERRANO FRANCHISING GROUP, INC.,
4354 Redondo Beach Blvd. Torrance, California 90504