

FRANCHISE DISCLOSURE DOCUMENT

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Sbarro Franchise Co , LLC
(a Delaware limited liability
company)

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Columbus, OH 43215

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MAY 1 2017

Department of
Business Oversight

Sbarro offers franchises for new and, on occasion, certain existing company-owned Sbarro Restaurants. A Franchisee will operate an Italian style restaurant, featuring Italian foods and related items. A Franchisee may also operate a food service facility offering Italian foods at an institution, such as a college campus or hospital, or at a captive market location such as a highway rest stop.

The total investment necessary to begin operation of a Sbarro Restaurant franchised business is between \$318,200 and \$704,800. This includes \$20,000 to \$35,000 that must be paid to the franchisor or its affiliate(s). The total investment varies depending on the type of Sbarro Restaurant a Franchisee operates.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this Disclosure 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 Wendi Zborovksy at 1328 Dublin Road, Columbus, OH 43215, (614)769-9911.

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 (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D C 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Date of Issuance April 25, 2017

**ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MICHIGAN**

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in the 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 franchisees
- (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 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 the franchisor and inventory, supplies, equipment, fixtures, and furnishings not 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 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 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:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations
 - (iv) 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. The 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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of the initial investment and other funds paid by the franchisee until the obligations, if any, to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

The escrow agent may be a financial institution authorized to do business in Michigan. The escrow agent may release to the franchisor those amounts of the escrowed funds applicable to a specific franchisee upon presentation of an affidavit executed by the franchisee and an affidavit executed by the franchisor stating that the franchisor has fulfilled its obligation to provide real estate, improvements, equipment, inventory, training or other items. Partial releases of escrowed funds upon receipt of affidavits of partial fulfillment of franchisor's obligations are permitted.

Questions regarding this notice should be directed to the Michigan Attorney General's Office, Consumer Protection Division, Attn: Franchise Section, 525 W. Ottawa Street, Williams Building, Lansing, Michigan 48909, (517) 373-7117.

EFFECTIVE DATE April 25, 2017

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit I for information about Sbarro, or about franchising in your state.

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

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

Please consider the following RISK FACTORS before you buy this franchise.

- 1) THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN OHIO. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN OHIO THAN IN YOUR OWN STATE.
- 2) THE FRANCHISE AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3) IN THE EVENT OF TERMINATION DUE TO YOUR DEFAULT, LIQUIDATED DAMAGES WILL BE REQUIRED.
- 4) ALL THE OWNERS OF THE FRANCHISE AND THEIR SPOUSES WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNERS(S) AT RISK.
- 5) THE FRANCHISOR HAS ELECTED THE REASONABLE BUSINESS JUDGMENT STANDARD IN ITS RELATIONSHIPS WITH FRANCHISEES. THIS MEANS THE FRANCHISOR IS NOT REQUIRED TO CONSIDER YOUR PARTICULAR ECONOMIC OR OTHER BUSINESS INTEREST WHEN EXERCISING ITS JUDGMENT.
- 6) THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

State registration effective dates are listed on the following State Registrations page.

SBARRO FRANCHISE CO , LLC
STATE REGISTRATIONS

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

State	Effective Date
California	
Hawaii	N/A
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	N/A
Utah	
Virginia	
Washington	
Wisconsin	

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Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "Sbarro" or "We" or "Us" means Sbarro Franchise Co., LLC, the franchisor (or licensor) of the Sbarro Restaurants offered under this Disclosure Document. "You," or "Franchisee," means the individual or entity that enters into a Franchise Agreement with us, and includes your owners if you are a corporation or other business entity.

Franchisor, Parents, Predecessors and Affiliates

We are a Delaware limited liability company established on May 21, 2014. Our principal business address is 1328 Dublin Road, Columbus, OH 43215, and our telephone number is (614) 769-9911. We do business under our corporate name, and under the following marks: "SBARRO," "SBARRO THE ITALIAN EATERY," "SBARRO FRESH ITALIAN COOKING," "MAMA SBARRO," "TONY & BRUNO'S," "CUCINOVA" and variations of these marks.

We began offering and selling franchises for restaurants to be operated under the Proprietary Marks (see Item 13) in June 2014, and, as of December 31, 2016, have 128 franchisees in the United States. We also offer franchises for the operation of restaurants under the brand name "Cucinova." Otherwise, we have not engaged in any other business activities, and have not offered franchises in any other line of business.

We trace our roots back to 1956, when the Sbarro family opened their first Salumeria (Italian grocery store) in Brooklyn. In 1967, the Sbarro family opened its first modern Sbarro Restaurant similar to the type of business to be operated by you as Franchisee.

Our parents are SBARRO Holdings, Inc., a Delaware corporation, New SBARRO Finance, Inc., a Delaware corporation, and New SBARRO Intermediate Holdings, Inc., a Delaware corporation.

Our predecessor is Sbarro LLC, a New York limited liability company established on November 28, 2011. Sbarro LLC's principal business address is 1328 Dublin Road, Columbus, OH 43215. Since November 2011, Sbarro LLC has operated Italian-style restaurants under the Proprietary Marks, which are similar to the Sbarro Restaurants to be operated by you as a Franchisee. From November 2011 to May 2014, Sbarro LLC offered and sold franchises for the operation of Italian-style restaurants under the Proprietary Marks. On June 2, 2014, Sbarro LLC assigned all of its 144 then-existing franchise agreements to us.

Sbarro LLC's predecessor, Sbarro, Inc., was a New York corporation that maintained its principal business address at 401 Broadhollow Road, Melville, New York 11747. Sbarro, Inc. conducted a business of the type to be operated by you as a franchisee from November 1977 to November 2011.

From November 1977 to November 2011, Sbarro, Inc. offered and sold franchises for the operation of Italian style restaurants under the Proprietary Marks. In 1991, Sbarro, Inc. began selling franchises for the operation of food service facilities at non-traditional

locations under the Proprietary Marks On November 28, 2011, Sbarro, Inc was merged into Sbarro LLC All of Sbarro, Inc's then-existing franchise agreements were transferred to Sbarro LLC, and Sbarro LLC acquired all of Sbarro, Inc's company-owned businesses Except as discussed in this Item, Sbarro, Inc has not offered or sold franchises in any other line of business, or engaged in any other business activities

Sbarro, Inc's affiliates and subsidiaries owned and operated a number of domestic businesses in the food service/restaurant industry, including casual Italian style restaurants ("MAMA SBARRO'S PIZZERIA", "LA CUCINA" and "CARMELA'S OF BROOKLYN") Before 2007, Sbarro, Inc's affiliates and subsidiaries owned and operated the following domestic businesses in the food service/restaurant industry steak restaurants ("Boulder Creek Steaks & Saloon", "Rothmann's Steakhouse", "Burton & Doyle", "Sagamore Steak House" and "Blackstone Steakhouse"), and a Mexican style restaurant ("Baja Grill") Sbarro, Inc's affiliates and subsidiaries have not offered or sold franchises in any other line of business These affiliates maintained their principal business addresses at 401 Broadhollow Road, Melville, NY 11747

In certain instances (generally, the sale and conversion of an existing company-owned business to a franchised business), Sbarro and its affiliates Sbarro America, Inc, Sbarro America Properties, Inc, Sbarro Properties, Inc, Sbarro of Virginia, Inc and Sbarro Pennsylvania, Inc (the "Affiliates") sublease the premises for Sbarro Restaurants to Sbarro's franchisees (see Items 7 and 10) The Affiliates maintain their principal business addresses at 1328 Dublin Road, Columbus, OH 43215 None of our Affiliates have ever operated a business of the types being offered in this Disclosure Document, or have ever offered franchises in this or any other line of business

Other than as described above, our predecessors and Affiliates do not provide products or services to our franchisees, and have not offered franchises in any line of business

The Franchised Business

Franchises For Sbarro Restaurants

Sbarro is in the business of both operating and franchising restaurants that feature a wide variety of Italian style foods in locations that are individually constructed, designed and laid out with Sbarro's prior written approval, and present a contemporary Italian cafe motif (a "Sbarro Restaurant" or "Restaurant") The diverse menu offering includes pizza, pasta and other hot and cold Italian entrees, salads, sandwiches, desserts and beverages The Sbarro Restaurant will be located in a shopping mall (either as an "in-line" or "food court" restaurant), airport, casino, strip shopping center, downtown location, free-standing building, or other high pedestrian-traffic location (individually or collectively, the "Traditional Locations") Franchises are offered in this Disclosure Document for a single, new Sbarro Restaurant

A Franchisee will operate a Sbarro Restaurant under the Proprietary Marks at a Traditional Location, in accordance with the terms and conditions in the Franchise Agreement for new Sbarro Restaurants (a copy of which is attached to this Disclosure Document as Exhibit A) The operation of your Sbarro Restaurant must be in accordance with the system (the "System") described in the Sbarro Confidential Manual

of Operations (the "Operations Manuals") and the Sbarro Food Procedures Manual (the "Recipe Manual") The Operations Manuals and the Recipe Manual (collectively, the "Manuals") are incorporated by reference into and are part of the Franchise Agreement, and have the same force and effect as other provisions in the Franchise Agreement The Manuals are revised and updated periodically We reserve the right to update the Manuals as we deem advisable, and, with each revision, you must follow the Manuals as they are revised The revisions may have the effect of requiring you, without your consent, to alter the way in which you operate your unit Your failure to comply with the Manuals, as revised, may result in the failure of your franchise and is a material breach of the Franchise Agreement

Our affiliate Sbarro LLC may from time to time sell the assets of existing corporate-owned Sbarro Restaurants to qualified prospects that enter into franchise agreements with us (a "Conversion Restaurant")

If you become a franchisee for a Conversion Restaurant, Sbarro LLC will sell you the furniture, fixtures, equipment, signage, goodwill and leasehold improvements necessary to operate the Sbarro Restaurant pursuant to an Asset Sale Agreement ("Sale Agreement") A copy of the Sale Agreement is attached to this Disclosure Document as Exhibit B

Sbarro is also in the business of operating and franchising food service facilities featuring Sbarro menu items that are (i) in kiosk locations, (ii) integrated into larger food service operations (such as hospital cafeterias), (iii) in institutional locations (such as college campuses and military bases), or (iv) in captive market locations (such as sports arenas, movie theaters, toll roads, highway rest stops, convention centers or membership warehouse retail stores) These Sbarro Restaurants are located in locations other than shopping malls, strip shopping centers, downtown buildings and free-standing buildings (individually or collectively, the "Non-Traditional Locations") Non-Traditional Locations may include Sbarro Restaurants operated in combination with other brand name food service operations, or types of food services which are not presently identifiable Franchises for these Sbarro Restaurants are typically operated by national or regional entities having experience in running multi-unit, multi-concept and multi-location food service facilities We typically offer franchises for carts or kiosks only where an acceptable fixed location is not available in a mall, airport or similar location Carts and kiosks are usually smaller, more mobile locations

Industry Regulations

The restaurant industry is heavily regulated The U S Food and Drug Administration, the U S Department of Agriculture and various state and local health departments administer and enforce laws and regulations that govern food preparation, food service and restaurant sanitation The Patient Protection and Affordable Care Act requires restaurant chains with 20 or more locations to disclose nutritional information about menu items at the point of sale Also, many of the laws, rules and regulations that apply to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws and the Occupation, Health and Safety Act, also apply to restaurants State and local agencies regularly inspect restaurants to ensure that they comply with these laws and regulations

Your development and operation of the Sbarro Restaurant will also be subject to compliance with applicable zoning, land use and environmental regulations as well as federal and state minimum wage laws governing such matters as working conditions, overtime and tip credits and other employee matters. It is likely that a significant number of your Sbarro Restaurant's food service and preparation personnel will be paid at rates related to the federal minimum wage and, accordingly, further increases in the federal, state or local minimum wage will affect your labor costs.

The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards that limit emissions of ozone, carbon monoxide and particulate matters, including emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

If your location involves the sale of wine and/or beer, you must obtain an appropriate alcoholic beverage license from your state or local governmental authority. In addition, you may be required to obtain local business licenses and permits before beginning the operation of your Sbarro franchise.

We recommend that you check with your state and local agencies to determine which laws apply to the operation of a Sbarro Restaurant in your area. You should consider these laws and regulations when evaluating your purchase of a franchise.

Competition

The competition for our products includes the national Italian food chains as well as the local pizzeria in your neighborhood.

The food service industry is subject to numerous factors which may increase the business risk of the operation. These factors include, but are not limited to, competition from other food operations, economic conditions as well as the ability of the management of the specific unit to control costs, labor and overall operations.

The Franchise Agreement does not provide territorial protection or exclusivity for you. We reserve the right to establish additional Sbarro Restaurants or other facilities anywhere and to use our trademarks anywhere which may compete with you.

Discretionary Development Deals

We may, in our sole discretion, offer to developers the opportunity to enter into Development Agreements with us for development of Sbarro Restaurants. The Development Agreement provides for the grant of rights to open and operate Sbarro Restaurants in a particular territory through separate Franchise Agreements for reduced initial franchise fees and royalty fees in consideration of the developer's agreement to open and operate a specific number of Sbarro Restaurants within the territory, subject to a development schedule. (See Item 12.)

Our agents for service of process are listed in Exhibit H to this Disclosure Document.

Item 2

BUSINESS EXPERIENCE

President and Chief Executive Officer J David Karam

Mr Karam has served as the President and Chief Executive Officer of Sbarro Holdings, Inc , our parent, since April 2013 Mr Karam has served as Chairman of the Board of Sbarro Holdings, Inc since December 2011 Mr Karam served as Owner of Cedar Enterprises, Inc from January 2012 to March 2013

Chief Concept Officer Casey Minton

Casey Minton has served as our Chief Concept Officer since November 2016 Casey is a consumer insights and marketing strategy leader with over 25 years of experience in consumer packaged goods and restaurant industry brand management, consumer research and marketing analytics Most recently Casey served as the Vice President of Consumer Insights and Business Intelligence for PF Chang's and Pei Wei in Scottsdale, Arizona from September 2013 to March 2016 Previous to that, from October 1994 to August 2013, he spent almost 19 years at Wendy's, where he held a number of different marketing roles in the organization, including Brand Manager, Field Marketing Manager, Director of Marketing Analysis and Vice President of Insights & Analysis He has a BA in History and Economics from Bowdoin College in Brunswick, Maine and received his MBA in Marketing from Northwestern University's Kellogg Graduate School of Business

Chief Legal Officer and Secretary Mark S Inzetta

Mr Inzetta has served as our Chief Legal Officer and Secretary since December 2014 Mr Inzetta served as Owner and President of Guzzardi's Pizza Co , Inc between November 2013 and December 2014 Mr Inzetta served as the Senior Vice President and Associate General Counsel of Wendy's International, Inc between January 1984 and November 2013

Chief Administrative Officer Rohan Shearer

Mr Shearer has served as our Chief Administrative Officer since November 2015 Mr Shearer served as our Chief People Officer from July 2014 to November 2015 Mr Shearer served as Vice President of HR and Training for Sbarro LLC from December 2013 to July 2014 Mr Shearer served as Division Human Resources Manager for Wendy's International, Inc from October 2006 to December 2013

Senior Vice President of International Franchise Operations Aurelien Orphanides

Mr Orphanides has served as our Vice President of International Franchise Operations since May 2014 Mr Orphanides has also served as the Vice President of International Franchise Operations for Sbarro LLC since January 2013 From November 2011 to December 2012 he served as our Vice President of International Operations for Europe From May 2011 to November 2011 he served as Vice President of International Operations for Europe for Sbarro, Inc From December 2007 to April 2011 he served as Director of International Operations for Europe for Sbarro, Inc

Senior Vice President of Franchise Development Werner A Glass

Mr Glass has served as our Senior Vice President of Franchise Development since August 2014. He served as the Vice President of International Franchise Development for CKE Restaurants, Inc. from September 2009 to August 2014.

Director of Franchise Development Frank J Dasaro

Mr Dasaro joined the company in January 2017 as the Director of Franchise Development and focuses on non-traditional, international and domestic franchise development, specializing in airport, shopping mall, college and university and casino development. From March 2015 to December 2017, Mr Dasaro was the owner and principal consultant of Global Franchise Development Corp., Huntington Station, New York, developing franchising programs for Brownstones Coffee, Swell Taco and Sign-Me UP Signs & Advertising. From February 2007 to January 2015, Mr Dasaro was the founding partner and President of Temptrends NY Inc., a boutique, New York City based temporary staffing agency servicing "Blue Chip" Fortune 500 and Fortune 100 clients.

Unless otherwise indicated, all positions are located in Columbus, Ohio. Prior to the relocation of our headquarters to Columbus, Ohio, all positions held with us, our parents, predecessors and affiliates were held in Melville, NY.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

On March 10, 2014, Sbarro LLC, its parent Sbarro Holdings, Inc. and certain affiliates including Carmela's, LLC, Carmela's of Kirkman, LLC, Carmela's of Kirkman Operating, LLC, Corest Management, Inc., Cucinova Easton, LLC, Cucinova Holdings, LLC, Cucinova Kenwood, LLC, Cucinova Olentangy, LLC, Demefac Leasing Corp., Larkfield Equipment Corp., Las Vegas Convention Center LLC, New Sbarro Finance, Inc., New Sbarro Intermediate Holdings, Inc., Sbarro America, Inc., Sbarro America Properties, Inc., Sbarro America, Inc., Sbarro Blue Bell Express LLC, Sbarro Commack, Inc., Sbarro Express LLC, Sbarro New Hyde Park, Inc., Sbarro of Las Vegas, Inc., Sbarro of Longwood, LLC, Sbarro of Virginia, Inc., Sbarro Pennsylvania, Inc., Sbarro Venture, Inc., Sbarro Properties, Inc., Sbarro's of Texas, Inc., Umberto at the Source, LLC, Umberto Deer Park, LLC, Umberto Hauppauge, LLC, Umberto Hicksville, LLC, Umberto Huntington, LLC and Umberto White Plains, LLC, filed a Chapter 11 bankruptcy proceeding to improve their financial stability and operating flexibility. This proceeding was filed in the U.S. Bankruptcy Court, Southern District of New York, Case # 14-10557 (MG). On June 2, 2014, Sbarro LLC's, and New Sbarro Finance, Inc.'s, and their affiliate's Plan of Reorganization became effective.

On April 4, 2011, Sbarro, Inc and certain of its affiliates, including Sbarro Holdings, LLC, Carmela's of Kirkman Operating, LLC, Carmela's of Kirkman LLC, Carmela's, LLC, Corest Management, Inc , Demefac Leasing Corp , Larkfield Equipment Corp , Las Vegas Convention Center LLC, Sbarro America Properties, Inc , Sbarro America, Inc , Sbarro Blue Bell Express LLC, Sbarro Commack, Inc , Sbarro Express LLC, Sbarro New Hyde Park, Inc , Sbarro of Las Vegas, Inc , Sbarro of Longwood, LLC, Sbarro of Virginia, Inc , Sbarro Pennsylvania, Inc , Sbarro Properties, Inc , Sbarro Venture, Inc , Sbarro's of Texas, Inc , Umberto at the Source, LLC, Umberto Deer Park, LLC, Umberto Hauppauge, LLC, Umberto Hicksville, LLC, Umberto Huntington, LLC and Umberto White Plains, LLC, filed a Chapter 11 bankruptcy proceeding to improve their financial stability and operating flexibility This proceeding was filed in the U S Bankruptcy Court, Southern District of New York, Case # 11-11527 (SCC) On November 28, 2011, Sbarro, Inc 's Plan of Reorganization became effective

The last known address and place of business of each debtor that is no longer in existence was 401 Broadhollow Road, Melville, New York 11747 Debtors that emerged from bankruptcy and remain in existence maintain a current address and principal place of business at 1328 Dublin Road, Columbus, Ohio 43215

Other than the two bankruptcies listed above, no bankruptcy information is required to be disclosed in this Item

Item 5

INITIAL FEES

Except as otherwise specified below, each of the following initial fees or payments are not refundable and are deemed fully earned by Sbarro on payment by the Franchisee

I DUE DILIGENCE FEE FOR FRANCHISE APPLICANTS

Each prospective franchisee may be required, in our discretion, to pay to Sbarro a fee of 15% of the per unit initial franchise fee at the time the franchise application is submitted, for Sbarro's costs incurred in conducting due diligence on you, such as various background investigations This fee is non-refundable, but, if your application is approved, the due diligence fee will be applied towards your initial franchise fee described below A copy of our standard franchise application is attached as Exhibit F

II FRANCHISE FOR A SBARRO RESTAURANT

You should expect to make the following initial payments to Sbarro before the time that the franchised location is ready to conduct business

(A) Initial Franchise Fee

The initial franchise fee varies depending on the type of location involved and products to be offered for sale Traditional Locations include shopping malls, airports, casinos, strip shopping centers, downtown locations, free-standing buildings and other high pedestrian-traffic locations The initial franchise fee for a Traditional Location to be operated within an in-line shopping center Sbarro Restaurant is generally \$25,000 but,

in extraordinary cases, the initial franchise fee for such a location could range from \$20,000 to \$35,000. The initial franchise fee for a Traditional Location to be operated from a food court is \$25,000. The initial franchise fee for a Non-Traditional Location is determined on a case-by-case basis, and varies depending on a number of factors, including type of Non-Traditional Location (e.g., carts or kiosks), products to be offered for sale, geographic location, local traffic patterns, visibility to the public and local competition. For example, if the type of Non-Traditional Location is a smaller unit, offering a reduced menu and displaying minimal trade dress (typically a lower level of investment for the franchisee, as indicated in Item 7), to be operated in a high volume sales area, the initial franchise fee might be at the lower end of the range. On the other hand, if the Non-Traditional Location is to be operated as part of a national franchisee's established, larger, multi-concept food service facility, the franchise fee might be at the higher end of the range. (See Item 7 for further description). The fee is also determined by us, based on our review of market conditions and the fee charged by our competitors. Among the market conditions that we consider are population density, demographics and expected traffic. Generally, higher expected store traffic would suggest an initial franchise fee at the higher end of the range. You will be apprised of the fee at least seven days before you sign the Franchise Agreement. This fee is a per unit fee and is payable each time a Franchisee is granted a franchise. The initial franchise fee is payable in full, at the time of execution and delivery of the Franchise Agreement along with all relevant agreements and any related documents.

Sbarro generally does not sign a Franchise Agreement for a new Sbarro Restaurant until a Restaurant site has been identified and approved by both Sbarro and the prospective Franchisee. If a Franchise Agreement is signed before site approval and a Sbarro Restaurant site is not located by you and approved by us within 90 days after the execution of the Franchise Agreement (the "Effective Date") either you or Sbarro may terminate the Franchise Agreement. If the Sbarro Restaurant is not open to the general public for business within 210 days following the Effective Date, either you or Sbarro may terminate the Franchise Agreement by a written notice to the other party. If you are purchasing a Conversion Restaurant and have not opened your Conversion Restaurant within two (2) weeks after the date of possession of the site has been made available to you, Sbarro may terminate your Franchise Agreement on providing written notice to you. In the event of termination for failure to locate an approved site or open within the prescribed time frame, the initial franchise fee is refundable to you, less actual costs and expenses incurred by Sbarro, including its expenses in connection with training you and your employees, the search for site location, travel and living expenses, legal, leasing and other related expenses. These costs could range between \$1,500 and \$10,000. Except as stated above, the initial franchise fee is non-refundable.

The initial franchise fee described above is uniform for prospective Franchisees for Sbarro Restaurants, as is the method of refund.

(B) Asset Purchase for a Conversion Restaurant

As discussed in Item 1, Sbarro LLC will sell you the furniture, fixtures, equipment, signage, goodwill and leasehold improvements necessary to operate a Conversion Restaurant pursuant to the Sale Agreement. We estimate that the purchase price under a Sale Agreement may range from approximately \$100,000 to approximately \$450,000, and will vary based on the historical operating performance of the

Conversion Restaurant, the length of the term remaining on the lease and the value of the existing furniture, fixtures, equipment and signage. You may also purchase existing inventory and supplies of the Sbarro Restaurant from Sbarro LLC, the cost of which is expected to range from \$2500 to \$7,000. In addition, if Sbarro LLC or an Affiliate subleases the premises to you, you must pay a lease deposit ranging from \$0 to \$10,000.

III DEVELOPMENT AND INITIAL FRANCHISE FEES IN CONNECTION WITH A DISCRETIONARY DEVELOPMENT DEAL

If we determine in our discretion to enter into a Development Agreement with you, you must pay to us a nonrefundable development fee at the time of signing your Development Agreement. There is no range or formula used to determine this fee. The fee will be negotiated on a case by case basis at the time of execution of the Development Agreement. (See Item 12.) The Development Agreement will specify the amount of the initial franchise fee and the royalty rate applicable to Sbarro Restaurants opened thereunder and whether the arrangement will include any exclusive territory. Such terms will be negotiated at the time the Development Agreement is entered into and the initial franchise fee and royalty rate may be less than the standard initial franchise fee and royalty rate referenced in this Disclosure Document, in consideration of the developer's agreement to open and operate a specific number of Sbarro Restaurants within the territory, subject to a development schedule. (See Item 12.)

Item 6

OTHER FEES

Franchise for a Sbarro Restaurant

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of total Gross Revenues*	Payable weekly on Tuesday of each week for the preceding calendar week	Gross Revenues includes all revenue from the franchise location. Gross Revenues does not include sales tax or use tax.
Local Advertising	2% of total Gross Revenues	Expenditure must be made monthly for the preceding month	You must expend at least 2% of your Gross Revenues on local advertising.
Marketing Fund Fee	Up to 4% of total Gross Revenues	Payable weekly on Tuesday of each week for the preceding calendar week	As of the date of this Disclosure Document, we have not established a Marketing Fund, and therefore do not impose a Marketing Fund Fee.
Additional Assistance	Actual cost***	30 days after billing	Sbarro provides certain opening assistance at no additional cost to you - See Item 11.

Name of Fee	Amount	Due Date	Remarks
Rent	Based on the requisite lease or sublease you enter into, and will vary depending on where your Sbarro Restaurant will be located, the size of the premises, and other factors	Monthly	Whether you enter into a lease or a sublease you will pay the landlord rental payments directly
POS System Maintenance Fees	Provider's then-current fees	Monthly	Paid to service provider or us as incurred
Web Site Hosting Fee	The then-current fee, as will be described in the Manuals (currently \$0)	When billed	You must pay any fee imposed by Sbarro for the Website or your <i>pro rata</i> share of any fee imposed by a third party service provider, in connection with hosting the Website
Transfer Fee	The greater of \$3,500 or 10% of the then-current Initial Franchise Fee	Before consummation of transfer	Payable when you sell your franchise Any transfer is subject to approval by Sbarro
Audit Costs	Understated Royalty Fee interest, and costs of audit	Within 15 days of audit report	Payable only if discrepancy found **
Inspection and Testing Costs	Costs of inspection and testing	When billed	You or the supplier contractor or purveyor must pay for inspection of any facilities and testing of samples as a condition for approval
Interest Payments	Maximum rate permitted by law if no maximum rate, 18% per year	When payments are received late	Payable only if payments are late
Sbarro s Lost Profits Following Termination	The mathematical product of (a) the average monthly Royalty Fees, and Marketing Fund Fees payable under your Franchise Agreement over the 12-month period preceding the date of termination (or a shorter time period if the Sbarro Restaurant has been open less than 12 months), (b) multiplied by the lesser of 36 or the number of months remaining in the term of your Franchise Agreement	If incurred, on termination	If your Franchise Agreement is terminated because of your default you must compensate Sbarro for its lost profits resulting from the termination
Renewal Fee	\$7 500	Before Renewal	
Relocation Fee	\$1 000	On Sbarro s approval of relocation request	Payable when you relocate your franchise Any relocation is subject to approval by Sbarro
Insurance	Varies	When billed	If you do not obtain required insurance we may purchase it on your behalf and charge you for it and for our costs and expenses

Name of Fee	Amount	Due Date	Remarks
Forms Materials and Special Operating Assistance	Varies	When billed	We may charge a reasonable fee for forms materials and special operating assistance made necessary in our judgment as a result of your failure to comply with the Franchise Agreement the Manuals or our specifications, standards or other operating procedures
Enforcement Costs	All costs including reasonable accounting and attorney s fees	On demand	You will reimburse us for all costs we incur in enforcing your obligations
* The Royalty Fee is determined on a case by case basis depending on a variety of factors Franchisees must pay an initial franchise fee of at least \$25 000 to be eligible for a 5% royalty fee Other factors that Sbarro considers in determining the royalty fee include but are not limited to the number of units the franchisee is purchasing whether the franchisee is new to the system or an existing franchisee and the franchisee s prior business experience in operating restaurants similar to Sbarro Restaurants If we in our discretion enter into a Development Agreement with you we may in our discretion reduce the amount of royalty fees for Sbarro Restaurants developed under such arrangement to less than 5% of Gross Revenues as further discussed in Item 5 and Item 12 ** If the discrepancy is 5% or more you must reimburse Sbarro for all costs associated with the audit (including compensation for an independent accountant and Sbarro employees and their respective travel expenses room and board) *** If any scheduled training is cancelled by you or as a result of a delayed opening you must reimburse Sbarro for out of pocket expenses incurred (including the travel food and lodging costs of Sbarro s trainers) as a result of the cancellation			

Unless otherwise indicated above, all of the fees listed are imposed by, payable to and collected by Sbarro, are non-refundable, and are uniformly imposed

Item 7

ESTIMATED INITIAL INVESTMENT

Franchise for a Sbarro Restaurant

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Inline Shopping Center Unit	Food Court Unit	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (1)	\$20 000 to \$35 000	\$25 000	Lump Sum	On signing the agreement	Sbarro
Development Fee (2)	Unknown	Unknown	Lump Sum	On signing the agreement	Sbarro
Lease (3)	\$25 000 to \$50 000	\$25 000 to \$50 000	As arranged	On signing the lease	Landlord
Leasehold Improvements (4)	\$140 000 to \$300 000	\$100 000 to \$300 000	As arranged	As incurred	Contractors and suppliers
Purchase of Initial Equipment Package (5)	\$100 000 to \$200 000	\$100 000 to \$150 000	As arranged	Before opening on ordering the equipment	Contractors and suppliers
POS/Computer System (6)	\$15 000 to \$30 000	\$15 000 to \$30 000	As arranged	As arranged	Suppliers
Permits & Licenses	\$2 000 to \$5 000	\$2 000 to \$5 000	As arranged	As incurred	Governmental authorities
Outside Signs Or Menuboards	\$10 000 to \$25 000	\$10 000 \$12 000	As arranged	Before order is placed	Suppliers

Type of Expenditure	Inline Shopping Center Unit	Food Court Unit	Method of Payment	When Due	To Whom Payment is to be Made
Insurance Package (7)	\$800	\$1 500 to \$2 500	As arranged	Before opening	Insurers
Opening Inventory & Supplies	\$7 000	\$7 000	As arranged	Within 1 week of opening	Suppliers
Training Expenses (8)	\$8 000 to \$10 000	\$8 000 to \$10 000	As arranged	During training	Food lodging and transportation providers
Utility Installations & Deposits (9)	\$200 to \$2 000	\$200 to \$2 000	As arranged	As incurred	Suppliers
Architectural Fees	\$12 000 to \$20 000	\$12 000 to \$20 000	Lump sum or as arranged	Lump sum or as incurred	Architect
Legal & Accounting	\$2 500 to \$5 000	\$2 500 to \$5 000	As arranged	Before opening	Service providers
Additional Funds (1 to 3 months) (10)	\$10 000 to \$15 000	\$10 000 to \$15 000	As arranged	As incurred	Various third parties
Totals	\$352 500 to \$704 800	\$318 200 to \$633 500			

(1) Please refer to Item 5 Subsection II(A) for details about the initial franchise fee and the circumstances under which it may be refundable. We will credit any due diligence fee you pay to us towards the initial franchise fee. As discussed in Item 5 Subsection III, the initial franchise fee may be reduced if we, in our discretion, enter into a Development Agreement with you.

(2) As discussed in Items 5 and 12, if we, in our discretion, decide to enter into a Development Agreement with you, you will pay us an initial nonrefundable development fee, which is negotiated on a case by case basis.

(3) This estimate includes three months' rent for leasing the premises of the Sbarro Restaurant, plus one month's rent as security deposit. If you will be purchasing a Conversion Restaurant, Sbarro LLC or an Affiliate will sublease to you the premises of the Conversion Restaurant. If Sbarro LLC or an Affiliate paid a security deposit to the landlord under the existing lease, you also must pay to Sbarro LLC a security deposit in the same amount. (See Items 6 and 10 for further information.) Nearly every Franchisee leases the Sbarro Restaurant premises, and we do not have information about the cost of Franchisees acquiring real property and constructing a Sbarro Restaurant.

(4) Generally includes heating, plumbing, ventilation and air conditioning facilities, flooring, ceilings, walls, decor and all other interior requirements to make the location ready for the installation of restaurant equipment and fixtures. These figures assume that the Sbarro Restaurant will occupy approximately 1000 – 2200 square feet for an inline location and approximately 750 square feet for a food court location. The estimated cost of leasehold improvements will vary with the size and the condition of the leased premises. As a rule of thumb, the estimated cost of leasehold improvements for (a) an inline location will range from \$60 to \$180 per square foot of space leased; (b) a food court location will range from \$150 to \$400 per square foot of space leased; and (c) a Pizza Centric location will range from \$90 to \$100 per square foot of space leased.

If you are purchasing a Conversion Restaurant, Sbarro LLC will sell you the furniture, fixtures, equipment, goodwill, leasehold improvements, signs, beverage systems, menu display boards and related items for operation of the Conversion Restaurant. See Item 5 for further information.

(5) This estimate includes the costs of purchasing the necessary furniture, fixtures, millwork, counters, equipment, beverage systems and related items for your Sbarro Restaurant.

(6) This estimate includes the costs of purchasing the computer hardware and software required by the Franchise Agreement, and hardware and software maintenance fees for one year. See Item 11 for further information.

(7) The insurance package encompasses the policies of insurance that you must maintain as specified in the Franchise Agreement. It does not include such other insurance policies as you may be required to maintain under the terms of your lease.

(8) Travel and living expenses while attending Sbarro's training programs are not included in the fees paid by you to Sbarro. At the present time, training of approximately 4 weeks duration for 2 to 4 people is provided at one of Sbarro's training centers. See Item 11 for further details. Hotel, food and local travel expenses range from about \$150 to \$250 per person per day.

(9) Not all utility companies require a deposit.

(10) You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We encourage you to seek the advice of a business advisor, such as a lawyer and/or accountant to help formulate a business plan and methodology of business operation. Additional funds are estimates only and are intended to apply only during the initial phase of operation. These estimates do not preclude the investment by you of additional funds after the initial phase of operations is

complete. Ongoing costs associated with the operation of the franchise may require such additional funds. The food service industry is sensitive to economic upturns and downturns. Sbarro cannot estimate the period of time when your revenues may exceed your expenses, if ever. You should not expect to be profitable at the point in time when your additional funds are completely expended. This is a variable point affected by numerous factors, the biggest of which is management of the business (following Sbarro's System suggested pricing, receipts, hiring, record keeping, waste, etc.). You should not infer that your revenues will exceed your expenses at the end of the three month initial phase. Additional funds should not be considered as a source for living expenses during the first year. Additional funds are not intended to be used for initial security deposits or prepayments. Remember, these figures are estimates only and Sbarro makes no projections or estimation of the amount of additional funds you may need for the operation of your business after the initial phase.

Except as otherwise described in the notes above, the preceding chart provides an estimate of your initial investment for a new Sbarro Restaurant and the costs necessary to begin operation of your Sbarro Restaurant. All costs listed above are estimates only. Actual costs will vary for each Franchisee and each location depending on a number of factors. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. We do not offer any financing for any part of the initial investment for a new Sbarro Restaurant (see Item 10).

Except where specifically indicated otherwise, all costs and expenditures mentioned anywhere in this Disclosure Document are estimates only, and are subject to variances based on location, unit size, inflation and other general and variable economic conditions.

Figures given represent the best estimates currently known to Sbarro for these costs. The estimated amounts stated above as required for additional funds, deposits and prepaid expenses are predicated on an assumption that sales from the operation will be positive from the inception, although Sbarro makes no such guarantee or assurance. If for any reason, sales are slow at the inception of operation, a possibility that should be taken into account in any new operation, additional funds will be required to pay operating expenses until the time as the operation generates sufficient cash flow to cover such expenses. The figures stated above for additional funds do not include any provision for managerial salaries or draws, promotion expenses or legal, accounting and other miscellaneous administrative expenses.

In addition, it is likely that you will finance a substantial portion of the above costs and expenditures. The foregoing figures do not take into account the finance charges and related costs of such financing. Unless otherwise noted, all fees and expenses are not refundable or are refundable in accordance with the payee's policies.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must comply with all mandatory specifications, standards and operating procedures relating to (1) type, quality, purity, taste, portions, weight and/or dimensions, ingredients, uniformity in the manner of preparation and sale of food products and beverages sold by the Sbarro Restaurant, (2) layout, decor and color scheme of the Sbarro Restaurant, (3) quality and type of equipment, (4) appearance and dress of employees, (5) appearance, cleanliness, sanitation, standards of service and operation of the Sbarro Restaurant, (6) submission of requests for approval of food products and beverages, materials, supplies and distributors and suppliers, (7) days and hours during which the Sbarro Restaurant will be open for business, and (8) use of Sbarro branded

packaging. These mandatory specifications, services and operating procedures are prescribed by Sbarro in the System and may be modified occasionally and communicated to you in writing.

Each Sbarro Restaurant is individually designed and laid out with the assistance and prior written approval of Sbarro. Sbarro will provide you with specifications and standards for all or portions of the Sbarro Restaurant's design, layout, construction, fixtures and equipment that you must follow. Where required, the design, layout, construction, fixtures and equipment of the Sbarro Restaurant must also meet with the approval of the landlord of the location and the approval of local building and other authorities. Each Sbarro Restaurant must present a contemporary Italian cafe motif in appearance and be inspected and approved by Sbarro before its opening.

Except as otherwise noted, Sbarro allows you to purchase equipment, signs, supplies, inventory, etc. meeting its specifications and standards from suppliers chosen by you. You must notify Sbarro before dealing with any sources not previously approved, and Sbarro may require submission of sufficient specifications, information and/or samples to determine whether such products meet its specifications, which determination will be made within a reasonable time. Sbarro has a list of approved suppliers and vendors available for your review on request. Sbarro, for itself and its affiliates, reserves the right to be an approved supplier or the sole supplier of any of the above, but is not an approved supplier as of the date of this Disclosure Document.

Sbarro does not currently negotiate purchase agreements with suppliers, including price terms for the benefit of franchisees, but reserves the right to do so. We do not provide material benefits (for example, removal or granting additional franchises) for a franchisee based on a franchisee's purchase of particular products or services or use of particular suppliers.

Sbarro has approved and recommends Performance Food Group, Inc. d/b/a Vistar Corporation ("Vistar") as its supplier for food and paper products and Pepsi for all bottled beverage products. Sbarro does not currently maintain specific written criteria for approving suppliers. Any supplier, however, who is able to provide food and paper products meeting Sbarro's minimum specifications and who is willing to permit periodic inspections by Sbarro of its facilities and samples of its goods may, upon written request to Sbarro, be designated as an approved supplier.

Consistent quality in all food ingredients and other supplies used at Sbarro company-owned units and franchised locations is paramount to the preservation and enhancement of the Sbarro brand name and goodwill. To ensure consistent quality, Sbarro has negotiated volume supply arrangements with a number of food and beverage companies. Products from all of these suppliers are available to Franchisees, either through Vistar or directly from the supplier.

In some instances, Sbarro performs services to monitor the quality of suppliers' products. For example, Sbarro oversees the selection of the tomato crop used in its company-owned and franchised locations and purchases an entire year's crop in advance. Sbarro has also agreed to provide advertising services for certain suppliers. However, we do not sell tomatoes or any other food products to franchisees. Our

affiliates are not approved suppliers of any products or services. No officer of Sbarro owns any interest in any approved supplier.

For the services rendered by Sbarro (which include, among other things, recipe development, preparation of specifications and the inspection of products and suppliers) and as a result of the volume of supplies used in both company-owned and franchised locations, Sbarro or Sbarro's affiliates may receive rebates and discounts from suppliers. These rebates and discounts may take the form of a percentage of volume. In the 2016 fiscal year, Sbarro's total revenue was approximately \$171,500,000, and Sbarro received rebates and discounts of approximately \$520,000.00 related to the sale of products to Franchisees, representing approximately 3% of its total revenues.

We estimate that your purchases from approved suppliers or otherwise in accordance with our specifications of items, will represent approximately 80% to 100% of your total purchases and leases in establishing your Sbarro Restaurant, and approximately 80% to 100% of your total purchases and leases in the continuing operation of your Sbarro Restaurant. We do not have any purchase or distribution cooperatives. We look at a number of factors in determining whether to grant or renew a supplier or vendor as approved.

Although no corporate regional or local advertising program is presently in place, the Franchise Agreement requires you to advertise locally and gives us the right to require you to advertise occasionally, or at all times, in the future through an affiliate of Sbarro or through any other designee of Sbarro. The cost of services to be rendered will be comparable and competitive with similar services as are rendered and made by other similarly sized advertising agencies. On the enactment of a program by Sbarro, you must contribute a percentage of gross revenues from your Sbarro Restaurant for local or regional advertising.

You must obtain insurance coverage with a Best rating of "A" IX or better (i.e., all risk property insurance, comprehensive general liability, liquor legal liability (if applicable), commercial automobile policy and statutory worker's compensation) and add Sbarro as an additional insured. Worker's compensation is a statutory amount set by the state. Sbarro requires a Comprehensive General Liability with limits of \$1,000,000 per occurrence/\$2,000,000 aggregate. All Risk Property Insurance on a full replacement cost basis, must cover improvements and betterments, furniture and fixtures, personal property/contents, direct and contingent business interruption, loss of income/extra expense, sign coverage, rents and other fees due and payable to the Landlord, Merchant's association, etc. and royalty fees due and payable to Sbarro for a period of at least six months.

In connection with Conversion Restaurants, it has been our experience that landlords for most locations will not enter into a lease agreement with a Franchisee, and will only lease the premises for the Conversion Restaurant to Sbarro LLC or an Affiliate. For these Conversion Restaurants only, Sbarro LLC or an Affiliate will remain on the lease agreement with the landlord and will sublease the premises to you under essentially the same terms and conditions as the primary lease, until the expiration of the primary lease. Under the Sublease Agreement, you must comply with the obligations imposed on Sbarro LLC or any Affiliate who serves as the primary lessee of the premises, and you will be required to make monthly rental payments directly to the landlord. We will

not derive any revenue from the lease/sublease arrangement. The current form of Sublease Agreement is attached to this Disclosure Document as Exhibit C.

Products and Supplies

You must purchase all raw food items, including ingredients, mixes and condiments, and prepared food items, from suppliers, contractors and purveyors approved in writing by Sbarro. If you want to purchase any such items from a supplier, contractor or purveyor other than a supplier, contractor or purveyor who has been approved by Sbarro, you must submit to Sbarro a written request for approval or request the supplier, contractor, or purveyor to do so, both of which requests must contain a covenant to conform at all times to Sbarro's standards and specifications in effect.

Sbarro has the right to require, as a condition of its approval, that its representative be permitted to inspect the supplier, contractor, or purveyor's facilities and that samples be delivered, at Sbarro's option, to Sbarro or its designee for testing and that such samples demonstrate, to Sbarro's satisfaction, an ability to meet Sbarro's standards and specifications. A charge not to exceed the cost of such inspection and testing will be paid by you or by the supplier, contractor, or purveyor seeking approval, and Sbarro will not be liable for damage to any sample that may result from the testing process. In the event Sbarro fails to notify you of its approval or disapproval of a supplier within 30 days after receiving all required information and completing its testing and inspection, the request for approval of a supplier shall be deemed denied.

The supplier, contractor or purveyor must also demonstrate to Sbarro the existence of quality controls and the financial and managerial capacity to supply your needs promptly and reliably. Sbarro reserves the right (and the supplier, contractor or purveyor must agree as a condition to Sbarro's approval), at its option, to re-inspect the facilities and to retest the products of any approved supplier, contractor or purveyor at any time, without prior notice, and, without liability and regardless of any contracted arrangement between you and the supplier, contractor or purveyor, to revoke its approval if the supplier, contractor or purveyor has failed to continue to meet any of the foregoing criteria.

Sbarro reserves for itself and its affiliates the absolute right to be a sole source of supplies or the sole designator of suppliers, contractors or purveyors who will provide products, ingredients or mixes involving trade secrets, confidential formulae or confidential recipes and will have no obligation to release any trade secret, confidential formulae or confidential recipes to you or any supplier, contractor or purveyor.

On occasion, we may purchase and resell restaurant equipment to franchisees. We are not the only approved supplier of these or any other items, and we do not currently sell any other items to franchisees. Neither we nor our affiliates are currently an approved supplier of any product. In the fiscal year 2016, Sbarro's total revenues were approximately \$171,500,000 and Sbarro's total revenues from required purchases or leases and purchases or leases of items by franchisees meeting our standards and specifications was \$0.00 (approximately 0% of 2016 total revenues). Sbarro LLC is not currently an approved vendor. None of our officers currently owns an interest in any of our suppliers.

If we disclose trade secrets or other confidential and proprietary information to the supplier, contractor or purveyor (including our System), the supplier, contractor or purveyor must sign our standard form of Confidentiality Agreement (a copy of which is attached to this Disclosure Document as Exhibit D), as a condition to Sbarro's disclosure or delivery of this information. Suppliers have to sign an indemnity agreement for the benefit of Sbarro.

Sbarro further retains and reserves the right in its sole discretion to manufacture and distribute products authorized for sale in Sbarro Restaurants under our trademarks through retail food stores and other outlets and channels of distribution, without limitation.

Sbarro is not aware of the existence of any purchasing or distribution cooperatives. Sbarro does not provide material benefits (for example, renewal or granting additional franchises) to a franchisee based on a franchisee's purchase of particular products or services or use of particular suppliers.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item in Disclosure Document
a) Site selection and acquisition/lease	Sections 4 & 6	5, 7 & 11
b) Pre-opening purchases/leases	Sections 6 & 8	8
c) Site development and other pre-opening requirements	Sections 4, 5, 6 & 8	6, 7 & 11
d) Initial and ongoing training	Section 8	11
e) Opening	Section 6	11
f) Fees	Sections 8, 9, 11, 18, 19, 20 & 25	5 & 6
g) Compliance with standards and policies/ operating manual	Sections 5, 9, 10 & 14	11
h) Trademarks and proprietary information	Sections 1 & 17	13 & 14
i) Restrictions on products/ services offered	Sections 5, 9, 20 & 21	16

Obligation	Section in Franchise Agreement	Item in Disclosure Document
j) Warranty and customer service requirements	Section 9	11
k) Territorial development and sales quotas	Not Applicable	12
l) Ongoing product/ service purchases	Sections 5 7 8 9 10 & 20	8
m) Maintenance appearance and remodeling requirements	Sections 7 & 9	11
n) Insurance	Section 16	6 & 8
o) Advertising	Sections 11 & 19	7 & 11
p) Indemnification	Sections 16 & 27	6
q) Owner's participation/ management/staffing	Sections 9 & 15	6 & 11
r) Records/reports	Sections 12 & 13	6
s) Inspection/audits	Section 21	6 & 11
t) Transfer	Section 25	17
u) Renewal	Section 3	17
v) Post-termination obligations	Sections 23, 24 & 25	17
w) Non-competition covenants	Sections 24 & 25	17
x) Dispute resolution	Sections 21 & 28	17

Item 10

FINANCING

Except as described below, Sbarro does not offer direct or indirect financing, or guarantee your note, lease or obligation

SUBLEASE

For Conversion Restaurants, Sbarro LLC or an Affiliate will sublease the premises to you under the terms of a Sublease Agreement ("Sublease") in the form attached to this Disclosure Document as Exhibit C. The term of your Sublease will coincide with, and be coterminous with, the term of the existing lease and your Franchise Agreement, provided, however, that, upon expiration of the current term of the Sublease, neither

Sbarro LLC nor the Affiliate, as applicable, will renew the direct lease with the landlord, and you must negotiate your own lease with the landlord. Under the Sublease, you must make monthly rental payments for the premises directly to the landlord. (See Item 7 for an estimate of these monthly rental payments.) The amount of your required rental payments, the number of monthly payments, and other terms of your Sublease will vary depending on the terms of the existing lease for your Conversion Restaurant. You may not pre-pay the base rent payable under the Sublease. If Sbarro LLC or the Affiliate paid a security deposit to the landlord under the existing lease (the amount of which generally does not exceed two months' rent), you must reimburse Sbarro LLC or the Affiliate, as applicable, for this amount. This security deposit, if any, is payable as an "adjustment" at the time of closing under the Asset Sale Agreement (described in Item 5, Section III(B)). The security deposit is refundable, provided you are not in default of the Sublease, on termination or expiration of the Sublease. If you default under your Sublease, Sbarro LLC or an Affiliate may (1) pursue all legal and equitable remedies as are granted to the landlord under our lease for the premises with the landlord, (2) elect to perform your obligations under the Sublease, take possession of the premises, furniture, fixtures, and equipment, and recover their costs and expenses associated with doing so from you, (3) retain your security deposit, and, if your Sublease is terminated because of a default by you, we may (4) terminate your Franchise Agreement, (5) accelerate rent, and (6) require you to pay court costs, attorney's fees and related costs. The Sublease does not contain a provision requiring you to waive any legal rights, however any defenses must be asserted as affirmative claims in a separate action. We reserve the right to require persons other than you to guarantee payment of your financial obligations.

We do not currently receive payment from any person or persons for obtaining or placing financing, but we reserve the right to do so. Sbarro LLC and our Affiliates who sublease Sbarro Restaurant locations to franchisees have not in the past, do not currently, and do not intend in the future to, sell or assign their rights in any Sublease, but reserve the right to do so.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, Sbarro is not required to provide you with any assistance

Pre-Opening Obligations

Before you open your franchised business, Sbarro will

(1) Provide you with assistance in the site evaluation and selection process once you have located a particular site (Franchise Agreement, Section 4), or, in the case of a Conversion Restaurant, review locations as to which leases have already been signed by Sbarro or its Affiliate,

(2) Provide you with specifications for the inventory and supplies, equipment, furniture, fixtures and related elements of decor, and the exterior and interior signs required for the Restaurant (Franchise Agreement, Sections 5 & 6), and

(3) Approximately five weeks before the scheduled opening of the Restaurant, provide approximately four weeks of training in the operation of a Sbarro Restaurant as described below and as Sbarro deems necessary. The training program is at no extra charge, however, you must pay for all of your trainees' expenses in attending such training program (Franchise Agreement, Section 8)

Site Selection

If you will open a new Restaurant and you have not selected a location before signing the Franchise Agreement, you must immediately seek to locate a suitable site within your designated general geographic area. If you do not locate a site that we approve within 90 days after signing the Franchise Agreement, either you or we may terminate the Franchise Agreement. If you do not select a site and you or we terminate the Franchise Agreement, Sbarro will refund the initial franchise fee, less Sbarro's actual out-of-pocket costs expenses, including but not limited to, site selection expenses, travel and living expenses, legal and other related expenses that Sbarro may incur. Sbarro will refund the initial franchise fee within seven days after receiving notice from you of your option to terminate the Franchise Agreement. Sbarro will not pay interest on the refund of the initial franchise fee. When approving a site, we consider, among other things, pedestrian traffic and the presence of competitors.

You are solely responsible for ensuring that the Restaurant is developed and operating in accordance with applicable laws and regulations. You acknowledge that our acceptance of a site and any information communicated to you regarding our standard site selection criteria for Restaurants does not constitute a representation of any kind, express or implied, as to the suitability of the site for a Restaurant or for any other purpose, or whether you can expect to achieve a particular level of sales and profits from operating a Restaurant at the site. Our acceptance of the site only signifies that we are going to grant a franchise for you to operate a Restaurant at that location. Your decision to develop and operate a Restaurant at the site is based solely on your own independent investigation of the suitability of the site.

Opening The Restaurant

Except in the case of a Conversion Restaurant, we estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your Restaurant is typically not more than six months. You must have your Restaurant open for business within 210 days following the Effective Date. In the case of a Conversion Restaurant, you must open your Restaurant within two weeks from the date you obtain possession of the Restaurant location. Factors that may affect this time period include the search, selection and acquisition or lease of a satisfactory site for the Restaurant, and the negotiation by the Franchisee of suitable financing.

During the operation of the Restaurant, Sbarro will

- (1) Provide operating assistance in connection with the operation of the Restaurant as Sbarro determines to be necessary (Franchise Agreement, Section 10) Such advice and guidance includes, but is not limited to, personnel, menus, food recipes, preparations and requirements, advertising and promotions, and evaluating new food developments,
- (2) Provide instructional and other training materials (in addition to the Manuals) as Sbarro determines may be helpful in improving the operation of the Restaurant (Franchise Agreement, Section 8), and
- (3) Advise you occasionally of operating problems in the Restaurant that are disclosed or indicated by reports submitted by you or as disclosed by Sbarro's inspections You must correct any such problems (Franchise Agreement, Section 10)

Training for All New Franchisees

Sbarro's training program is conducted on a continuing basis The training program is mandatory for all new Franchisees and must be completed to Sbarro's satisfaction Depending on the size and location of the Restaurant, Sbarro will, at its discretion, require you to send two to four trainees to the training program One of the trainees must be the full-time manager of the Restaurant Among the criteria we consider in determining how many trainees must attend the training program is whether trainees have previous restaurant management experience and number of employees Sbarro typically advises franchisees of the number of required trainees at least 30 days before they must attend the training program Your manager and trainees must begin the training program at least five weeks before your Restaurant's scheduled opening date, and we anticipate that your manager and trainees will complete training one week before your Restaurant's scheduled opening date Currently, there is no additional training required Sbarro reserves the right to require ongoing training as needed

Training is conducted on a regular basis at an approved Sbarro Restaurant We make every effort to have the training location in the market closest to where your Restaurant will be located Sbarro currently has approximately 15-20 Restaurant training locations The training program is provided without additional charge to you You are responsible, though, for all your trainees' costs and expenses, including transportation, housing and living expenses while they attend such program If any scheduled training is cancelled by reason of you or your delayed opening of the Restaurant, you must also reimburse Sbarro for Sbarro's out-of-pocket expenses incurred (including the travel, food and lodging costs of Sbarro's trainers) as a result of the cancellation The training is conducted by Sbarro trainers and service employees with experience in the restaurant industry of a minimum of six month as a general manager and five years in the industry The instructional materials consist of training and recipe manuals, computer/ invoice order guides, tools and forms The training program is overseen by Mr Harry Erardi, who has been our Vice President – Training and Operations Support since 2013 Mr Erardi has served as the Vice President of Training and R&D for Sbarro LLC since November 2010, and was Sbarro, Inc 's Senior Director of Training and R&D from April 2004 to November 2010 when he became Vice President of Training and R&D

TRAINING PROGRAM

Subject	Hours of Classroom Training*	Hours of On-The-Job Training*	Location
Food/Inventory purchases	6-8	3	Approved Sbarro Restaurant We make every effort to have the training location in the market closest to where your Restaurant will be located
Preparation & service of foods & beverages	8-10	65	Sbarro Restaurant usually located in a market area closest to where your Restaurant will be located
Operation of Restaurant equipment	4-6	20	Sbarro Restaurant usually located in a market area closest to where your Restaurant will be located
Relations with employees & customers	4-8	8-16	Sbarro Restaurant usually located in a market area closest to where your Restaurant will be located
Merchandising & Management skills	4-8	15-20	Sbarro Restaurant usually located in a market area closest to where your Restaurant will be located
Preparation of records & reports	3-6	4-10	Sbarro Restaurant usually located in a market area closest to where your Restaurant will be located

* The hours of training for these subjects will vary depending on the level of experience of the Franchisee and its manager

Manuals

Sbarro will loan you one or more copies of the Manuals. You must observe and protect the confidentiality of the disclosed proprietary information contained in the Manuals and related materials. Such materials remain the property of Sbarro, and you must return these materials to Sbarro upon termination or expiration of the Franchise Agreement (Franchise Agreement, Section 14). The Manuals are incorporated by reference as part of the Franchise Agreement and have the same force and effect as other provisions in the Franchise Agreement. Your failure to follow the System as described in the Manuals as they may be revised from time to time by us is a breach of the Franchise Agreement.

You will be permitted to view our Manuals before buying the franchise, provided that you sign a confidentiality agreement in the form attached as Exhibit D.

Advertising

Sbarro will have the right, but not the obligation to establish a Marketing Fund. "Marketing Fund" means a separate segregated fund maintained by Sbarro or its designee following the guidelines established by Sbarro, consisting of payments from franchisees under their franchise agreements. If established, the Marketing Fund will be used for marketing, advertising, sales promotion and promotional materials, public and consumer relations, publicity, and any other programs that Sbarro deems necessary or appropriate. As of the date of this Disclosure Document, a Marketing Fund has not been established. If Sbarro establishes a Marketing Fund, Sbarro will notify Franchisee at least 60 days before the Marketing Fund begins operating.

Thereafter, you must pay Sbarro a Marketing Fund contribution in such amount as Sbarro may determine from time to time, and in no event more than 4% of the Gross Revenues derived by, from, in, or through, the Restaurant, payable weekly on Tuesday of each week on receipts of the preceding calendar week. Sbarro owned outlets shall contribute to the Marketing Fund on the same basis as franchisees' contribute to the Marketing Fund. If established, the Marketing Fund will be maintained and administered by Sbarro as follows:

(i) Sbarro will direct all marketing programs with sole discretion over the creative concepts, materials and media used in such programs, and the placement of fund allocations. The Marketing Fund is intended to maximize general public recognition and acceptance of the Proprietary Marks for the benefit of the System generally, or for geographic regions of the System determined by Sbarro within which your Sbarro Restaurant may or may not be located. Sbarro is not obligated in administering the Marketing Fund to make expenditures for the Restaurant which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or other marketing activities. The Marketing Fund is not a trust or escrow account, and Sbarro has no fiduciary obligations regarding the Marketing Fund.

(ii) All contributions to the Marketing Fund and any earnings will be used exclusively to meet any and all costs of maintaining, administering, directing and preparing marketing activities (including cost of preparing and constructing marketing campaigns in various media, marketing surveys and other public relations activities) designed to promote the Proprietary Marks and the System, employing advertising agencies, and providing promotional brochures and other marketing materials to the Restaurant. All sums that you pay to the Marketing Fund and any earnings will be maintained in an account separate from the other monies of Sbarro and will not be used to defray any of Sbarro's expenses, except for such reasonable administrative costs, development costs, marketing activities, and overhead as Sbarro may incur that are reasonably related to marketing activities and the administration of the Marketing Fund and advertising programs for the franchisees and the System. Sbarro will maintain separate bookkeeping accounts for the Marketing Fund.

(iii) It is anticipated that all contributions to and earnings of the Marketing Fund will be expended for the purposes described above during the taxable year within which the contributions and earnings are received. If, however, excess amounts remain in the Marketing Fund at the end of such taxable year, all expenditures in the following taxable year(s) will be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

(iv) Sbarro may defer or reduce your contributions to the Marketing Fund and, upon 30 days prior written notice, reduce or suspend your payment of Marketing Fund contributions to, and suspend operation of, the Marketing Fund for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If the Marketing Fund is terminated, all unspent monies on the date of termination will be distributed to the franchisees in proportion to their

respective contributions to the Marketing Fund during the preceding three month period, and amounts refunded will be spent on local marketing

(v) The Marketing Fund will not be an asset of Sbarro. An unaudited financial statement of the operations of the Marketing Fund will be prepared annually and be made available to Franchisee for the previous fiscal year upon written request.

(vi) Although the Marketing Fund is intended to be of indefinite duration, Sbarro maintains the right to terminate the Marketing Fund, to reduce required contributions of certain franchisees, or to suspend contributions. Sbarro is not obligated to contribute to the Marketing Fund on behalf of company-owned Restaurants.

In addition, you must spend 2% of your Gross Revenues each month on local advertising, and must provide, on Sbarro's request, such evidence as Sbarro may prescribe confirming such expenditure. All advertising materials using the trademark of Sbarro must be approved in writing by Sbarro before their use by you.

Sbarro does not currently maintain advertising councils for the purpose of advising Sbarro on advertising policies. However, Sbarro reserves the right to do so in the future. Once established, you must comply with cooperative rules and regulations which we establish.

Web Site

Sbarro currently maintains a Web site, which promotes the Proprietary Marks and/or the System. The Web site is currently in operation, but Sbarro has no obligation to maintain the Web site and may dismantle it at any time. You must pay to Sbarro any fee imposed by Sbarro, or your *pro rata* share of any fee imposed by a third party service provider, as applicable, in connection with hosting the Web site. We do not currently impose this fee. Sbarro has the sole right to control all aspects of the Web site, including without limitation its design, content, functionality, links to other web sites, legal notices, and policies and terms of usage. Sbarro will also have the right to discontinue operation of the Web site at any time without notice to you. (Franchise Agreement, Sections 11(e) and 9(g))

Except as we approve in advance in writing, you may not establish or maintain a separate Web site, or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your Restaurant. If we grant approval, you must establish and operate your Web site in accordance with our standards and policies provided to you in the Manuals or otherwise in writing.

Computer System

Under the Franchise Agreement, you must purchase, install and use the computer hardware and software, point-of-sale and cash register equipment as Sbarro requires, and sign any and all related maintenance, support, license and/or other agreements as required by Sbarro. Sbarro has the right to specify or require that you use certain brands, types, makes and/or models of communications, computer systems and

hardware, including (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at the Restaurant, (b) printers and other peripheral hardware or devices, (c) archival back-up systems, (d) Internet access mode and speed, and (e) physical, electronic, and other security systems (the "Computer System") (Franchise Agreement, Section 9(f))

Sbarro also has the right under the Franchise Agreement, but not the obligation, to develop or have developed for Sbarro, or to designate (a) computer software programs that you must use in connection with the Computer System (the "Required Software"), which you must install at your expense, (b) updates, supplements, modifications or enhancements to the Required Software, which you must install at your expense, (c) the tangible media on which you record data, and (d) the database file structure of the Computer System

At Sbarro's direction, you must purchase or lease, and maintain, the Computer System and, if applicable, the Required Software. You must keep your Computer System in good maintenance and repair and install all updates, upgrades, additions, changes, modifications, substitutions and/or replacements to your Computer System or Required Software as Sbarro may direct occasionally in writing, all at your own expense.

You must install and maintain the equipment, make the arrangements, and follow the procedures that Sbarro requires in the Manuals (including the establishment and maintenance of Internet, intranet, or extranet access or other means of electronic communication, as Sbarro specifies) to permit Sbarro to access, download and retrieve electronically, by telecommunication or other designated method, any information stored in your Computer System, including information concerning Gross Revenues, and to permit Sbarro to upload, and for you to receive and download, information from Sbarro (including advertising materials, the Manuals and training tools). Sbarro will have independent access to the information at the times and in the manner that Sbarro specifies from time to time.

Subject to the above requirements, Sbarro currently requires you to purchase or lease a point-of-sale hardware and software system (the "POS System"). The POS System is designed to assist you in point of sale transactions, menu management, and financial reporting and internal accounting. You must use our approved POS System, NCR Aloha POS, or a similar system which meets our minimum standards and specifications and which we have approved in writing. Sbarro will have independent access to the information and data generated by your POS System. Sbarro is not obligated to provide or assist you in obtaining the POS System. You must also obtain support and service for the POS System, including online support and patches. The cost to purchase the POS System is estimated to range from \$15,000 to \$30,000. This estimate includes the costs of purchasing the computer hardware and software required, and hardware and software maintenance fees for one year. The cost to maintain and update the POS System is estimated to be approximately \$200 to \$500 per month (\$2,400 to \$6,000 annually) for a multi-year agreement.

Item 12

TERRITORY

Your franchise will be for a location that Sbarro will need to approve. When approving a site, we consider, among other things, pedestrian traffic and the presence of competitors. Sbarro's recommendation or approval of any site does not imply, guaranty, assure, warrant, or predict profitability or success, express or implied.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Sbarro may establish other franchised, licensed, joint-ventured or company-owned units that may compete with your Restaurant in any degree of proximity to your location.

Your Franchise has no exclusive territory. We retain the right, among others, in any manner and on any terms and conditions we deem advisable, and without granting you any rights:

a) To own, acquire, establish and/or operate, and franchise others to establish and operate, businesses using the Proprietary Marks offering Italian food at any location, regardless of its proximity to your Restaurant,

b) To own, acquire, establish and/or operate, and franchise others to establish and operate, businesses under other trademarks or service marks owned by us or licensed to us or other business concepts, whether such businesses are the same as, similar to or different from your Restaurant at any location and regardless of the proximity to your Restaurant, and

c) To sell or distribute, at retail or wholesale, directly or indirectly, or franchise others to sell or distribute, any products under the Proprietary Marks or any other trademarks at any location (including, without limitation, supermarkets, groceries, other similar retail outlets, or any other channels of distribution), notwithstanding its proximity to your Restaurant.

We intend to offer franchises to operate a restaurant business under the trademark Cucinova® and related trademarks which will sell goods or services similar to those offered to you. Cucinova® restaurants will primarily specialize in the sale of Italian "fast casual" food, pizza, pasta, soups, salads, desserts, and other related menu or carry-out items. Cucinova® restaurants may be either franchisor owned and operated or franchisee owned and operated and we anticipate that Cucinova® restaurants will operate, in some instances, in close proximity to Sbarro Restaurants. We do not anticipate the need to resolve conflicts between us and franchisees of each System regarding territory, customers and our support since we do not anticipate granting franchisees of either System exclusive territories. The principal business address for the management of the Cucinova® system is the same as our principal business address stated in Item 1 and we do not intend to physically separate management and training facilities for the Sbarro System and the Cucinova® system. Otherwise, except for the franchises offered in this Disclosure Document, we have no current plans to establish other franchises providing similar products and services under the Proprietary

Marks or different trademarks and service marks, but we reserve the right to do so in the future. We presently offer and sell our proprietary Italian sauces and fresh pizza under the Proprietary Marks in company-owned Restaurants, and through distributors in various non-franchised/licensed businesses (e.g., supermarkets and convenience stores).

You may sell to anyone, anywhere, provided that all sales are made from the Restaurant location. You may not open or operate from another location or engage in any other type of business at or from the Restaurant location, and must obtain Sbarro's written consent before relocating. We may approve relocation of the Restaurant if, by no fault of your own, you are no longer able to operate the Restaurant from the Restaurant location and you have obtained another site that we approve. Except as described above, there are no other circumstances that permit us to modify your territorial rights.

The Franchise Agreement does not grant to you any options, right of first refusal or similar right to acquire additional franchises.

We may, in our sole discretion, offer to you the opportunity to enter into a Development Agreement and become a "developer" by granting you rights to open and operate multiple Restaurants in a particular territory for negotiated initial franchise fees and royalty rates in consideration of you, as developer, agreeing to develop, open and operate, through separate Franchise Agreements, a specific number of Restaurants within the territory, under a development schedule. We are not obligated to offer you the opportunity to enter into a Development Agreement. The Development Agreement may, in our discretion, include a grant to you of exclusive rights to open Restaurants in a designated territory. Any particular exclusive territory granted will be subject to negotiation; there is no guaranteed minimum exclusive territory for Development Agreements. Upon signing a Development Agreement, you, as developer, must pay us a nonrefundable development fee in a negotiated amount. Concessions granted to a developer during the term of a Development Agreement, including the right to exclusive territory (if applicable), generally do not survive after development is complete. If you fail to meet your obligations under a Development Agreement, including your failure to open the minimum number of Restaurants required on schedule or to continue operating the minimum number of Restaurants required, we may, among our other remedies, terminate the Development Agreement, terminate any Franchise Agreements executed under the Development Agreement, keep the full amount of the development fee, restrict you from opening additional Restaurants, revoke your exclusivity rights (if any), require payment of anticipated initial franchise fees and royalty fees, and increase royalties under Franchise Agreements opened under the Development Agreement. If you are not an individual(s), we may require, in our discretion, the owners of not less than 51% of your equity and voting control to sign a guaranty of your obligations under the Development Agreement. For our form of Development Agreement, see Exhibit G. Attached as Exhibit G to the Development Agreement is our current form of Guaranty Agreement for the Development Agreement.

Item 13

TRADEMARKS

Sbarro will give you the right, by mutual agreement, under the Franchise Agreement to operate an Italian style restaurant food service facility under one of the following trademarks (the "Proprietary Marks"), which are registered with the United States Patent and Trademark Office ("USPTO") on the Principal Register as follows. We hold all of the registrations below.

TRADEMARK	REGISTRATION NUMBER	REGISTRATION DATE	CLASS(ES)
SBARRO®	985,647	06/04/1974	42*
SBARRO®	1,991,581	08/06/1996	30
SBARRO THE ITALIAN EATERY®	1 161 472	07/14/1981	42*
MAMA SBARRO®	2 622,140	09/17/2002	42*
MAMA SBARRO S PIZZERIA®	2 646 881	11/05/2002	42*
MAMA MAKES IT BETTER®	2 622,141	09/17/2002	42*
SBARRO SKINNY SLICE®	4,486 142	02/18/2014	30
TONY & BRUNO'S®	2,511 105	11/20/2001	42*
SBARRO FRESH ITALIAN COOKING® Stylized and Design	4 147,731	05/22/2012	43
 SBARRO NYC 1956® Stylized and Design	4 762,939	06/30/2015	43
 SBARRO NYC 1956® Horizontal Stylized and Design	4 935 193	04/12/2016	43
SBARRO®	4,982 244	06/21/2016	30
SLICE SOCIETY®	4 984,761	06/21/2016	43

*Since the date of registration, the USPTO has re-classified restaurant services from class 42 to class 43.

All affidavits of use and renewals required to be filed to maintain the registrations of these Proprietary Marks have been timely filed.

There are presently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, the Trademark Administrator of any state or any court proceeding or any pending infringement, opposition or cancellation proceeding in the United States or any pending material federal or state court litigation involving the Proprietary Marks.

There are no agreements currently in effect that significantly limit the rights of Sbarro to use or license the use of the Proprietary Marks in any manner material to the franchise being offered in any state

You must follow Sbarro's rules when you use the Proprietary Marks. You cannot use the Proprietary Marks as part of any corporate or trade name or with any prefix or suffix or any other modifying words, terms, designs or symbols or in any modified form, nor can you use any other trademarks or service names in connection with the Restaurant.

You must immediately notify Sbarro of any challenge to your use of the Proprietary Marks or of any claim by any person of any right in or to any of the Proprietary Marks. Sbarro has the sole discretion to take such action as it deems appropriate in the event of a claim by others of infringement, including discontinuing use of the alleged infringing Proprietary Mark. You must not directly or indirectly contest our right to the Proprietary Marks, the System trade secrets, or business techniques that are part of our business.

You must modify or otherwise discontinue use of any of the Proprietary Marks and/or use one or more additional or substitute marks as Sbarro may direct at your expense.

You must promptly notify Sbarro of any suspected unauthorized use or infringement of Proprietary Marks by others. You acknowledge that Sbarro or its affiliate has the right to direct and control any administrative proceeding or litigation, or other adjudicative proceeding involving the Proprietary Marks, including any settlement. Sbarro has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. Sbarro will defend you against any third-party claim, suit, or demand arising out of your authorized use of the Proprietary Marks within the United States. If Sbarro, in its sole discretion, determines that you have used the Proprietary Marks in accordance with the Franchise Agreement, Sbarro will bear the cost of such defense, including the cost of any judgment or settlement. If Sbarro, in its sole discretion, determines that you have not used the Proprietary Marks in accordance with the Franchise Agreement, you must bear the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Proprietary Marks, you must sign any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks outside the United States or in a manner inconsistent with the terms of the Franchise Agreement, Sbarro will reimburse you for your out-of-pocket litigation costs in doing such acts.

Sbarro does not know of any infringing uses that could materially affect your use of the Proprietary Marks.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents which are material to the conduct of the Restaurant. Sbarro has no pending patent applications that are material to the franchise. You do receive and can use the proprietary information in the Manuals. The Manuals as described in Item 11 will be made available to you to view before purchasing your franchise.

Although Sbarro has not filed an application for a copyright registration for the Manuals, we claim copyright ownership of the Manuals and other related training and work performance materials, and the information contained in them is proprietary. You must also promptly tell us when you learn about unauthorized use of this proprietary information. Sbarro is not obligated to take any action, but will respond as we deem appropriate.

Each of your owners and any person actively involved in the management of the Restaurant must sign a written agreement or otherwise agree to maintain the confidentiality of the trade secrets described in Item 14.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Restaurant must at all times be under direct supervision by an "on-premises" manager (the "Operating Principal") who has satisfactorily completed Sbarro's training program, devotes his or her full time during business hours to the management of the Restaurant, and owns and controls not less than 20% of the equity and voting control of Franchisee.

You must obtain signed confidentiality agreements from all persons who are actively involved in the management of the Restaurant or who have access to Sbarro's confidential information by virtue of their relationship with you. Attached to this Disclosure Document as Exhibit E is Sbarro's current form of Confidentiality Agreement.

All owners of Franchisee are required to sign and deliver to us the Confidentiality, Non-Solicitation and Non-Competition Agreement in the form attached as Exhibit B to the Franchise Agreement. If you are not an individual(s), we may require, in our discretion, the owners of not less than 51% of the equity and voting control of Franchisee and their spouses to sign a guaranty of your obligations under the Franchise Agreement. Attached to the Franchise Agreement as Exhibit C is Sbarro's current form of Guaranty Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You, as Franchisee, must sell all foods, beverages, menu items and other products designated and authorized by Sbarro in the Manuals, and by the lease for the Restaurant. You are precluded from offering any goods not specifically approved in writing by Sbarro. You may sell to anyone, anywhere, provided that all sales are made from the Restaurant location. You may not open or operate from another location or engage in any other type of business at or from the Restaurant location, and must obtain Sbarro's written consent before relocating or providing any food delivery services from the Restaurant location.

A Franchisee must sell those items for which the franchise has been granted, and all other food, menu items and other products required by Sbarro, and may not sell any

other food, menu items or products at the Restaurant without the prior written approval of Sbarro. You must obtain Sbarro's prior written consent before providing any food delivery services from the Restaurant location.

Franchisees must participate in Sbarro's promotional programs for all Restaurants operating under the System, as prescribed by Sbarro in the Manuals or otherwise in writing, including all limited time offerings and selling and offering for sale gift cards which may be used at any Sbarro Restaurant for menu items or products, and permitting customers who purchased gift cards from another Sbarro Restaurant or Sbarro to use their gift cards for menu items or products at your Restaurant. There is no limit in the Franchise Agreement on the number of programs in which you must participate or the costs that you must incur.

Sbarro has the right (without limitation) to modify these requirements from time to time in its sole discretion.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreements	Summary
a)	Length of the franchise term	Section 3	For New Restaurants the term is generally 10 years from the opening of the Restaurant. For Conversion Restaurants the term will be for the remainder of the term of the existing lease for the location or 10 years whichever is less.
b)	Renewal or extension of the term	Section 3	You have the option to renew the agreement for one additional 10 year term.
c)	Requirements for you to renew or extend	Section 3	You may renew your Franchise Agreement for one additional term provided that (1) your operation of the Restaurant is in substantial compliance with our standards and the operations manuals (2) you are not in default of any agreements (3) you sign the then current form of agreement (which may contain materially different terms and conditions as the original agreement) (4) you pay to Sbarro the current renewal franchise fee (5) you give Sbarro not more than 12 months or less than six months written notice and (6) you enter into a general release. For Conversion Restaurants in addition to the above conditions you must enter into a lease agreement with Sbarro LLC or an Affiliate or purchase agreement for the location. If the term of your lease is less than 10 years the term of your renewal will be coterminous with your lease.
d)	Termination by franchisee	Section 4	Franchisee may be able to terminate if it fails to acquire an approved site for a Restaurant within 90 days of the date of the Franchise Agreement.
e)	Termination by franchisor without cause	Not applicable	Not applicable

	Provision	Section in Franchise Agreements	Summary
f)	Termination by franchisor with cause	Section 22	We can terminate only if you default
g)	Cause defined—curable defaults	Section 22	You have 10 days to cure non payment of fees 30 days for most other curable defaults (see Section 22 for comprehensive list)
h)	Cause defined—non curable defaults	Section 22	Include conviction of felony repeated defaults even if cured abandonment trademark misuse and unapproved transfers (see Section 22 for comprehensive list)
i)	Franchisee s obligations on termination/non renewal	Sections 23 & 24	Obligations include complete de identification and payment of amounts due (also see r below)
j)	Assignment of contract by franchisor	Section 25	No restriction on our right to assign
k)	Transfer by franchisee—defined	Section 25	Includes transfer of contract or assets or ownership change
l)	Franchisor approval of transfer by franchisee	Section 25	We have the right to approve most transfers subject to certain conditions
m)	Conditions for franchisor approval of transfer	Section 25	Transferee qualifies transfer fee paid purchase agreement approved training arranged any required remodeling completed release signed by you and current agreement signed by transferee (also see (r) below)
n)	Franchisor s right of first refusal to acquire franchisee s business	Section 25	We can match any offer for the Franchisee s business
o)	Franchisor's option to purchase franchisee s business	Section 23	If the franchise is terminated we have the option to buy back inventory or equipment at fair market value and to assume your lease
p)	Death or disability of franchisee	Section 25	Personal representative or heirs may take over franchise subject to local law
q)	Non competition covenants during the term of the franchise	Section 24	No involvement in competing business anywhere
r)	Non competition covenants after the franchise is terminated or expires	Section 24	No competing business for two years within 10 miles of the location or another Sbarro facility
s)	Modification of the agreement	Section 28	No modifications without the consent of both parties but we have the unilateral right to change the Operating Manual at any time
t)	Integration/merger clause	Section 28	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable
u)	Dispute resolution by arbitration or mediation	Not applicable	Not applicable
v)	Choice of forum	Section 26	Except for actions brought by us for monies owed injunctive or extraordinary relief or involving real property the Proprietary Marks or our confidential information litigation must be in Ohio (subject to state law)
w)	Choice of law	Section 26	Ohio law applies (subject to state law)

Item 18

PUBLIC FIGURES

Sbarro currently has no arrangements with any public figure for the endorsement of the franchise, or its products or in any other matter

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

The outlets reflected in this information have achieved these results. There is no assurance you'll do as well. If you rely upon our figures, you must accept the risk of not doing as well.

Factual Basis and Material Assumptions

You should consider the following factual basis and material assumptions when reviewing this Item 19:

- 1 As of December 31, 2016 we had 316 open and operating company owned and franchised locations in the U.S. The data utilized in Item 19 are based solely on the operating results of the 165 non-buffer company locations that were open and operating during the entire calendar year of 2016. We did not include any location in the analysis that was not open and operating for such entire calendar year period. All of the locations included are locations that offer substantially the same products and services as are currently utilized in substantially all of the non-buffer locations. It does not include the results of franchised locations or the 14 company locations that were discontinued during the 2016 calendar year.
- 2 For purposes of this Item 19, the term "sales" means all revenues received by a location as payment for all sales generated through the location, whether such payment is in cash, by exchange or for credit (and, if for credit, regardless of collection), including revenues received from the operation of vending machines or other mechanical devices, less any revenues taxes collected and transmitted to appropriate taxing authorities.
- 3 This Item 19 was prepared utilizing data we received in the periodic sales reports tabulated by us from our company locations through daily polling of Point of Sale (POS) data.

- 4 The cost and expense information in this Item 19 pertains only to the cost of goods sold, labor costs, and other specified operating expenses experienced by the company locations for the period of January 1, 2016 to December 31, 2016. You may experience capitalized or other balance sheet expenditures that are not included in this cost and expense information. Costs and expenses in the operation of a location will vary from franchisee to franchisee and from location to location and will depend on seasonal, local and other factors, like the franchisee's efficiency in the utilization of products, the cost of transportation, and the fluctuation in market prices for food and other products. Similarly, occupancy costs are not included in these operating expenses due to local and regional variances. In addition, you will pay fees to us including, but not limited to, an initial franchise fee, royalties, and other fees that are not reflected in the cost and expense information reported in this Item 19.
- 5 Labor costs will vary from location to location and will depend on local factors, including (without limitation) local minimum wage laws and local labor market conditions. We make no warranties, representations, predictions, promises or guarantees with respect to the actual expenses you likely will experience. Also, with respect to labor costs, because you will need a certain number of employees to open and operate a location regardless of its gross revenues, locations that have lower than average gross revenues probably will experience higher than average labor costs as a percentage of gross revenues.

Financial Performance Representations

Table 1 below contains an analysis of sales and certain operating costs and expenses (cost of goods sold, labor costs and other operating expenses) of the locations for the calendar year ending December 31, 2016. Table 1 is not a profit and loss statement. In Table 1 below, the locations were divided into four categories based on the amount of sales which are classified as Top Quartile, Second Quartile, Third Quartile and Bottom Quartile. The average sales and certain average operating costs and expenses for each of the categories was calculated by adding the gross revenues or certain operating costs and expenses, as applicable, of all locations within each quartile and dividing by the total number of locations within such quartile. The average sales and costs and expenses in each quartile were then compared to the average sales in such quartile and expressed as a percentage. Labor costs in Table 1 do not include officer's salaries and benefits for any location that captures or recognizes that expense, but does include location management staff bonuses.

Locations	Quartile	Average Sales	Cost of Goods Sold	Total Payroll	Other Expenses
41	1	1,192,256	19.1%	24.9%	7.7%
41	2	775,529	19.7%	27.5%	9.0%
41	3	627,539	19.6%	29.1%	10.0%
42	4	477,400	20.2%	32.4%	12.0%

Additional Information Regarding Item 19

Your individual results may differ from the results reported in this historical financial performance representation. There is no assurance that your results will be the same. The restaurant business is highly competitive and affected by, among other things, changes in geographic area, changes in eating habits and preferences, local, regional and national economic conditions, population trends and traffic patterns. Additionally, the acquisition of sites is highly competitive with other restaurant chains and retail businesses for suitable sites for the development of a restaurant.

You are urged to consult with appropriate financial, business and legal advisors in connection with the information provided. Written substantiation for the financial performance representation will be made available to the prospective Franchisee upon reasonable request.

Other than the preceding historical financial performance representation, Sbarro does not make any financial performance representations. 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 Mark S. Inzetta, 1328 Dublin Road, Columbus, Ohio 43215, (614) 769-9920, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

**TABLE NO 1
SYSTEMWIDE OUTLET SUMMARY
FOR FISCAL YEARS 2014 TO 2016**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	167	138	-29
	2015	138	129	-9
	2016	129	128	-1
Company-Owned	2014	408	204	-204
	2015	204	202	-2
	2016	202	188	-14
Total Outlets	2014	575	342	-233
	2015	342	331	-11
	2016	331	316	-15

TABLE NO 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR FISCAL YEARS 2014 TO 2016

State	Year	Number of Transfers
Connecticut	2014	1
	2015	0
	2016	0
Florida	2014	0
	2015	0
	2016	3
Kentucky	2014	0
	2015	0
	2016	1
Missouri	2014	0
	2015	1
	2016	0
Ohio	2014	0
	2015	0
	2016	1
Texas	2014	0
	2015	0
	2016	3
Virginia	2014	1
	2015	0
	2016	0

State	Year	Number of Transfers
Totals	2014	2
	2015	1
	2016	8

TABLE NO 3
FRANCHISED SBARRO RESTAURANT STATUS SUMMARY
FOR FISCAL YEARS 2014 TO 2016

State	Year	Outlets Operating at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets Operating At Year End
Alabama	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Arizona	2014	2	0	0	0	0	0	2
	2015	2	0	0	1	0	0	1
	2016	1	1	0	0	0	0	2
California	2014	12	0	0	2	0	0	10
	2015	10	0	0	2	0	0	8
	2016	8	0	0	1	0	0	7
Colorado	2014	1	0	0	1	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Connecticut	2014	9	1	0	2	0	0	8
	2015	8	0	0	0	0	0	8
	2016	8	0	0	0	0	0	8

State	Year	Outlets Operating at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets Operating At Year End
Delaware	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
District of Columbia	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	1	1
Florida	2014	11	0	0	2	1	0	8
	2015	8	0	0	1	0	0	7
	2016	7	3	0	0	0	0	10
Georgia	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Illinois	2014	25	0	1	1	0	0	23
	2015	23	1	0	0	0	0	24
	2016	24	1	0	0	0	0	25
Indiana	2014	3	0	0	1	0	0	2
	2015	2	0	0	1	0	0	1
	2016	1	0	0	0	0	0	1
Iowa	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0

State	Year	Outlets Operating at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets Operating At Year End
Kentucky	2014	3	0	0	1	0	0	2
	2015	2	0	0	2	0	0	0
	2016	0	1	0	0	0	0	1
Maine	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Maryland	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Massachusetts	2014	7	0	0	1	0	1	5
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	1	4
Michigan	2014	1	0	0	1	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Minnesota	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	1	0
Missouri	2014	4	0	1	0	0	0	3
	2015	3	0	0	1	0	0	2
	2016	2	1	0	0	0	1	2

State	Year	Outlets Operating at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets Operating At Year End
Nevada	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	1	1
New Jersey	2014	14	0	0	0	0	2	12
	2015	12	0	0	1	0	0	11
	2016	11	0	0	0	0	1	10
New York	2014	10	0	0	0	0	0	10
	2015	10	2	0	1	0	0	11
	2016	11	0	0	0	0	1	10
North Carolina	2014	3	0	0	0	0	0	3
	2015	3	0	0	1	0	0	2
	2016	2	1	0	0	0	0	3
North Dakota	2014	1	0	0	0	0	0	1
	2015	1	0	0	1	0	0	0
	2016	0	0	0	0	0	0	0
Ohio	2014	14	0	0	7	0	1	6
	2015	6	0	0	0	0	0	6
	2016	6	1	0	0	0	0	7
Oklahoma	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1

State	Year	Outlets Operating at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets Operating At Year End
Oregon	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	1	0	0	0
Pennsylvania	2014	12	2	0	2	0	2	10
	2015	10	1	0	1	0	0	10
	2016	10	0	1	1	0	0	8
Rhode Island	2014	2	0	0	0	0	0	2
	2015	2	1	0	0	0	0	3
	2016	3	0	0	0	0	0	3
South Carolina	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Tennessee	2014	3	0	0	0	0	0	3
	2015	3	0	0	1	0	0	2
	2016	2	0	0	0	0	1	1
Texas	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	3	0	0	0	0	5
Utah	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0

State	Year	Outlets Operating at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets Operating At Year End
Virginia	2014	8	0	0	2	0	0	6
	2014	6	0	0	1	0	0	5
	2016	5	0	0	0	0	1	4
Washington	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
West Virginia	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Totals	2014	167	3	2	23	1	6	138
	2015	138	6	0	15	0	0	129
	2016	129	12	1	3	0	9	128

TABLE NO 4
COMPANY-OWNED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS 2014 TO 2016

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
Alabama	2014	6	0	0	4	0	2
	2015	2	0	0	1	0	1
	2016	1	0	0	0	0	1
Arizona	2014	7	0	0	5	0	2
	2015	2	1	0	0	0	3
	2016	3	0	0	0	0	3
Arkansas	2014	4	0	0	3	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
California	2014	48	0	0	20	0	28
	2015	28	0	0	1	0	27
	2016	27	0	0	2	0	25
Colorado	2014	5	0	0	3	0	2
	2015	2	0	0	1	0	1
	2016	1	0	0	0	0	1
Connecticut	2014	8	0	0	5	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	0	0	3

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
Delaware	2014	2	0	0	0	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
District of Columbia	2014	2	0	0	0	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
Florida	2014	40	1	0	20	0	21
	2015	21	0	0	0	0	21
	2016	21	0	0	1	3	17
Georgia	2014	12	0	0	5	0	7
	2015	7	0	0	0	0	7
	2016	7	0	0	0	0	7
Hawaii	2014	3	0	0	0	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	0	0	3
Illinois	2014	12	0	1	4	0	9
	2015	9	1	0	0	0	10
	2016	10	1	0	0	0	11
Indiana	2014	2	0	0	1	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
Iowa	2014	3	0	0	3	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Kansas	2014	4	0	0	4	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Kentucky	2014	6	0	0	3	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	0	1	2
Louisiana	2014	5	0	0	3	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
Maine	2014	2	0	0	2	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Maryland	2014	9	0	0	4	0	5
	2015	5	0	0	1	0	4
	2016	4	0	0	0	0	4

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
Massachusetts	2014	4	0	0	2	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
Michigan	2014	18	0	0	10	0	8
	2015	8	0	0	0	0	8
	2016	8	0	0	1	0	7
Minnesota	2014	8	0	0	2	0	6
	2015	6	0	0	0	0	6
	2016	6	0	0	0	0	6
Mississippi	2014	4	0	0	2	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
Missouri	2014	6	0	0	6	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Nebraska	2014	3	0	0	2	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	1	0	0
Nevada	2014	12	0	0	4	0	8
	2015	8	1	0	1	0	8
	2016	8	0	0	0	0	8

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
New Hampshire	2014	2	0	0	1	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
New Jersey	2014	9	0	0	2	0	7
	2015	7	0	0	1	0	6
	2016	6	0	0	2	0	4
New Mexico	2014	4	0	0	2	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
New York	2014	33	1	0	19	0	15
	2015	15	0	0	0	0	15
	2016	15	1	0	0	0	16
North Carolina	2014	9	0	0	3	0	6
	2015	6	0	0	0	0	6
	2016	6	0	0	0	0	6
Ohio	2014	17	2	0	5	0	14
	2015	14	5	0	1	0	18
	2016	18	2	0	0	0	20
Oklahoma	2014	3	0	0	2	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	1	0	0

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
Oregon	2014	6	0	0	3	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	1	0	2
Pennsylvania	2014	17	0	0	10	2	5
	2015	5	0	0	1	0	4
	2016	4	0	0	1	0	3
Rhode Island	2014	2	0	0	2	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
South Carolina	2014	5	0	0	2	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	0	0	3
Tennessee	2014	6	0	0	3	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	0	0	3
Texas	2014	17	0	0	7	0	10
	2015	10	0	0	1	0	9
	2016	9	0	0	0	3	6
Utah	2014	4	0	0	2	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
Vermont	2014	1	0	0	1	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Virginia	2014	16	0	0	9	0	7
	2015	7	0	0	1	0	6
	2016	6	0	0	0	0	6
Washington	2014	10	0	0	10	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
West Virginia	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Wisconsin	2014	8	0	0	4	0	4
	2015	4	0	0	0	0	4
	2016	4	0	0	1	0	3
Wyoming	2014	1	0	0	1	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Canada	2014	2	0	0	0	2	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0

State	Year	Outlets Operating at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets Operating At End of Year
Totals	2014	408	4	0	204	4	204
	2015	204	8	0	10	0	202
	2016	202	5	0	11	8	188

**TABLE NO 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2016**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Alabama		1	
Arizona			
California		1	1
Colorado			
Connecticut		1	
Florida	1	3	
Georgia			1
Illinois			2
Kentucky			1
Maryland	1		1
Michigan	1		
Minnesota			

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Missouri			
Nevada			1
New Jersey			2
New Hampshire			3
New York		2	2
North Carolina		1	
Ohio			5
Pennsylvania		1	
Texas		4	2
Utah			
Virginia			2
Washington			1
Wisconsin			1
Totals	3	14	25

List of Current Franchisees

Attached to this Disclosure Document as Exhibit J is a list of all Sbarro Restaurant Franchisees and the addresses and telephone numbers of their outlets

List of Former Franchisees

The name and last known home address and telephone number of every Franchisee within the United States who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who has not

communicated with Sbarro within 10 weeks of the date of this Disclosure Document are listed in Exhibit K

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

Purchase of Previously-Owned Franchise

If you are purchasing a previously-owned franchised outlet, we will provide you additional information on the previously-owned franchised outlet in an addendum to this Disclosure Document

Confidentiality Clauses

During the last three fiscal years, neither we nor Sbarro LLC signed any agreements with franchisees that contain confidentiality clauses that would restrict a franchisee's ability to speak openly about their experience

Trademark-Specific Franchisee Organizations

We are not currently aware of any trademark-specific franchisee organizations associated with the franchise System which we have created, sponsored or endorsed, or any independent franchisee organizations that have asked to be included in this Disclosure Document

Item 21

FINANCIAL STATEMENTS

Exhibit L to this Disclosure Document contains the audited financial statements of (i) New Sbarro Finance, Inc for (a) the year ended December 31, 2016, (b) the year ended December 27, 2015, and (c) the year ended December 28, 2014. Note that New Sbarro Finance Inc's fiscal year end is the last Sunday of the calendar year. Also included in Exhibit L is New Sbarro Finance, Inc's guarantee of performance

Item 22

CONTRACTS

The following documents are part of this Disclosure Document

- | | |
|--|-----------|
| 1) Franchise Agreement | EXHIBIT A |
| 2) Asset Sale Agreement | EXHIBIT B |
| 3) Sublease Agreement | EXHIBIT C |
| 4) Confidentiality Agreement for Disclosure of Manuals | EXHIBIT D |
| 5) Confidentiality Agreement – Employee | EXHIBIT E |
| 6) Standard Franchise Application | EXHIBIT F |
| 7) Development Agreement | EXHIBIT G |

Item 23

RECEIPTS

A receipt in duplicate is attached to this Disclosure Document as Exhibit N. When you receive this Sbarro Disclosure Document, please have all applicants sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Franchise Department, Sbarro Franchise Co., LLC, 1328 Dublin Road, Columbus, OH 43215, acknowledging receipt of the Disclosure Document.

**Exhibit A to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

FRANCHISE AGREEMENT

SBARRO FRANCHISE CO., LLC
FRANCHISE AGREEMENT
(SBARRO)

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(i)

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EXHIBIT B – CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION
AGREEMENT
EXHIBIT C – OWNER’S GUARANTY
EXHIBIT D – CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE

SBARRO FRANCHISE CO , LLC
FRANCHISE AGREEMENT

This Agreement ("**Agreement**") is made and entered into as of the _____ day of _____, 2017 (the "**Effective Date**") by and between SBARRO FRANCHISE CO , LLC, a Delaware Limited Liability Company, with its principal place of business at 1328 Dublin Road, Columbus, OH 43215 ("**SBARRO**") and _____, a _____ with its principal place of business at _____ ("**Franchisee**")

1 PREAMBLE

SBARRO has accumulated extensive knowledge of and experience in the food service industry on the basis of which it has developed a system of methods, procedures, special designs, food formulas and recipes, menus, operating policies and advertising techniques (the "**System**") for the operation of a SBARRO restaurant ("**SBARRO Restaurant**" or "**Restaurant**") under the trade names, trademarks and service marks now or hereafter developed (collectively referred to as "**Proprietary Marks**") Franchisee recognizes that the success of SBARRO and its franchisees depends in large part upon the goodwill associated with the name SBARRO which in turn depends upon the operation of the Restaurants and service of quality food by each of the SBARRO franchisees in accordance with the highest standards of business conduct and in accordance with SBARRO's specifications and policies, and by each franchisee giving prompt, efficient, satisfactory and courteous service to the public In recognition of the value of participating in the System, operating the Restaurant and using the Proprietary Marks, Franchisee desires to acquire a franchise to operate a SBARRO Restaurant

2 GRANT OF FRANCHISE

Subject to the provisions of this Agreement, SBARRO hereby grants to Franchisee a non-exclusive franchise to operate one SBARRO Restaurant and a non-exclusive license to utilize the Proprietary Marks in conjunction with the operation of the Restaurant for a Term described in Section 3(a) at the Location specified in Section 4(a) hereof Franchisee expressly acknowledges that this Agreement does not grant or imply any protected area or territory for the Restaurant SBARRO shall retain the right to own, acquire, establish and/or operate, and license others to establish and operate, businesses using the Proprietary Marks offering Italian food at any location, regardless of its proximity to the Location (as specified in Section 4(a) hereof) SBARRO, its affiliates and/or subsidiaries additionally retain the rights (a) to own, acquire, establish and/or operate, and license others to establish and operate, businesses under other trademarks or service marks owned by SBARRO or licensed to SBARRO or other business concepts, whether such businesses are the same as, similar to or different from the Restaurant at any location and regardless of the proximity to the Location, and (b) to sell or distribute, at retail or wholesale, directly or indirectly, or license others to sell or distribute, any products under the Proprietary Marks or any other trademarks at any location (including, without limitation, supermarkets, groceries, other similar retail outlets, or any other channels of distribution), notwithstanding its proximity to the Location This Agreement does not give Franchisee the right to grant a subfranchise

3 TERM OF THIS AGREEMENT

(a) The term of this Agreement (the "**Term**") shall commence as of the Effective Date and shall expire on the 10th anniversary of the date that the Restaurant opens to the public unless renewed sooner or terminated in accordance with the provisions of this Agreement. At the expiration of the Term, the rights granted under this Agreement may be renewed for one additional Term of 10 years (unless this Agreement is sooner terminated in accordance with its provisions), provided that (i) Franchisee gives SBARRO not more than 12 months nor less than 6 months written notice of Franchisee's intent to renew, and (ii) immediately prior to the expiration of the Term

(i) Franchisee's operations of the Restaurant are in substantial compliance with SBARRO'S standards, specifications, requirements, instructions and Manuals, and

(ii) Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and SBARRO or its affiliates, and Franchisee shall have substantially complied with all the terms and conditions of such agreements during the Term(s) thereof, and

(iii) Franchisee executes the then-current form of SBARRO Franchise Agreement which shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher percentage royalty fee, and

(iv) Franchisee pays to SBARRO a renewal fee of \$7,500 in lieu of its then-current initial franchise fee, and

(v) Franchisee agrees to refurbish or renovate the Restaurant to conform to the then-current standards for SBARRO restaurants, and

(vi) Franchisee executes a general release in favor of SBARRO and its affiliates and their officers, directors, employees, and agents in the form SBARRO requires

(b) Franchisee agrees to continuously operate the Restaurant at the location specified in Section 4(a) hereof, or at such other location as the parties hereto may mutually approve pursuant to Section 4 hereof, for the entire Term

4 RESTAURANT LOCATION

This Agreement shall be subject to the availability of the location specified below (the "**Location**") and of the execution by Franchisee of a Lease that is acceptable to Franchisee or a purchase agreement for the Location. Franchisee agrees to continuously operate the SBARRO Restaurant at the Location, or at such other location as SBARRO may approve in writing for the Term

(a) The Restaurant shall be located at _____

(b) Unless a Location has been designated in Section 4(a) above, Franchisee shall immediately seek to locate a suitable site within the designated general geographic area described on Exhibit "A". If a site for the Restaurant is not approved by SBARRO within 90 days

following the Effective Date, at the option of either Franchisee or SBARRO, this Agreement and related agreements, if any, shall be terminated. In such event, the Initial Franchise Fee specified in Section 18 hereof shall be refunded to the Franchisee, less SBARRO's actual out-of-pocket costs and expenses incurred by SBARRO including, but not limited to, its expenses in connection with the search for a site, travel and living expenses, training, legal and other related expenses. Such refund will be made by SBARRO within 7 business days (unless a shorter period is prescribed by applicable law) after receipt of written notice from the Franchisee of the exercise of its option to terminate this Agreement and related agreements, or immediately by SBARRO, if it exercises its option to terminate. Unless required to do so by any applicable law, such refund will be without interest.

(c) If for any reason Franchisee has not opened the Restaurant within 210 days following the Effective Date, at the option of either the Franchisee or SBARRO, this Agreement and any related agreements, if any, may be terminated by giving written notice of termination to the other party. If this Agreement is terminated pursuant to this Section 4(c), Franchisee shall reimburse SBARRO for its costs and expenses in connection with this franchise, including but not limited to, expenses incurred in connection with the search for a site, advertising, construction expenses, if any, incurred by SBARRO, and expenses incurred in training the Franchisee and its employees (including, without limitation, travel and living expenses and compensation of employees of SBARRO) and legal fees and expenses incurred. SBARRO may deduct such sums from the Initial Franchise Fee, and refund the balance of such fee, if any, to the Franchisee.

(d) Franchisee agrees to deliver copies of the fully executed lease agreement and related documents and any subsequent amendments pertaining to the Location to SBARRO within 5 days of execution. Franchisee agrees not to sign any lease or related documents (or any renewal of it) that does not provide that

(i) the lessor of the Location shall provide SBARRO with all revenue and other information lessor receives from Franchisee pertaining to the operation of the Restaurant as SBARRO may request,

(ii) the lessor to contemporaneously provide SBARRO with copies of any written notice of default under the lease sent to Franchisee and which grants to SBARRO, at its option, the right (but not the obligation) to cure any default under the lease (should Franchisee fail to do so) within 15 days after the expiration of the period in which Franchisee may cure the default,

(iii) the premises be used solely for the operation of a Restaurant,

(iv) upon SBARRO'S request, Franchisee must de-identify the Location as a Restaurant and to promptly remove all Proprietary Marks, signs, decor and other items which SBARRO reasonably request be removed as being distinctive and indicative of a Restaurant and the System (or, if Franchisee fails to do the foregoing things, then the lease must permit SBARRO to have sufficient access to the interior and exterior of the premises so that SBARRO may de-identify the premises, as provided above, at Franchisee's cost),

(v) any default under the lease which is not cured within any applicable cure period also constitutes grounds for termination of this Agreement,

(vi) the term of the Lease extend for a period that is at least equal to the Term, either through an initial term of that length or rights, at Franchisee's option, to renew the lease for the Term,

(vii) SBARRO will be permitted unrestricted access to the Location to inspect the Restaurant,

(viii) the lease cannot be modified without SBARRO'S prior written approval, and

(ix) upon termination or expiration of the Franchise for any reason, SBARRO shall have the right but not the obligation to assume Franchisee's interest in the lease as tenant without incurring any liability for obligations (including but not limited to unpaid rent, taxes and other charges) accruing prior to taking possession by SBARRO

(e) Franchisee agrees to execute and deliver to SBARRO a Conditional Assignment and Assumption of Lease in the form attached as Exhibit D. In the event SBARRO assumes any lease, Franchisee shall indemnify SBARRO from any and all liability for future rent and other expenses and obligations under the lease and to execute any documents required by SBARRO to assign the Lease to SBARRO or its designee

(f) Franchisee may operate the Restaurant only at the Location. The Franchisee may sell to anyone, at retail only, prepared food of the character and meeting the quality standards contemplated in this Agreement, provided that all sales are from the franchised premises. Franchisee may not open or operate from another location and may not engage in any other type of business at or from the Location.

(g) Franchisee may not change the Location without the written consent of SBARRO, which may be granted or withheld by SBARRO in its sole discretion. In the event the Franchisee desires to change the Location of the Restaurant, Franchisee shall submit such request in writing to SBARRO, and if SBARRO consents to such relocation, SBARRO shall amend the Agreement to reflect such relocation. SBARRO's consent shall be subject to Franchisee's payment to SBARRO of a relocation fee of \$1,000.00 to reimburse SBARRO's legal expenses related thereto.

(h) Franchisee acknowledges and agrees that

(i) SBARRO'S recommendation or approval of any site does not imply, guaranty, assure, warrant, or predict profitability or success, express or implied.

(ii) SBARRO'S recommendation or approval of any site indicates only that SBARRO believes that the site falls within the acceptable demographic and other criteria for Locations that SBARRO has established as of the time of such recommendation or approval by SBARRO.

(iii) Application of criteria that have appeared effective with respect to other Locations may not accurately reflect the potential for all sites, and, after SBARRO'S approval of a site, demographic and/or other factors included in or excluded from SBARRO'S criteria could change to alter the potential of a site.

(iv) The uncertainty and instability of such criteria are beyond SBARRO'S control, and SBARRO will not be responsible for the failure of an approved Location to meet expectations as to potential revenue or operational criteria.

5 SPECIFICATIONS

Franchisee shall conform to SBARRO's specifications for the inventory, supplies, equipment, and exterior and interior signs required for the Restaurant. Specifications may include minimum standards for delivery, performance, designs and appearance and local zoning, sign and other restrictions. Franchisee may purchase or lease original and replacement inventory, supplies, equipment and signs meeting such specifications from any source. Franchisee will notify SBARRO prior to dealing with any such sources which have not been previously approved by SBARRO, and SBARRO may require submission of sufficient specifications, photographs, drawings and/or information and samples to determine whether such items of inventory, supplies, equipment or signs meet its specifications. SBARRO shall advise Franchisee within a reasonable time whether such items of inventory, supplies, equipment or signs meet its specifications. SBARRO, at its sole and exclusive option, may provide Franchisee with specifications and minimum standards for all or portions of the Restaurant's construction, design and layout, which Franchisee agrees to follow. Franchisee acknowledges that such specifications and standards shall not contain the requirements of any federal, state, or local law, code or regulation (including, without limitation, those concerning the Americans with Disabilities Act ("**ADA**") or similar rules governing public accommodations or commercial facilities for persons with disabilities).

6 RESTAURANT DEVELOPMENT

(a) Upon obtaining possession of the site for the Restaurant, Franchisee shall, at its own cost and expense

(i) Promptly obtain all required zoning changes, all required building, driveway, utility, health, sanitation, and sign permits and comply with all applicable government laws, ordinances, rules, regulations and orders (including, without limitation, the ADA) relating to the operation of the Restaurant, and

(ii) Otherwise complete development of and have the Restaurant ready to open and commence the conduct of its business within a reasonable time (but not more than six (6) months, unless extended by SBARRO or for such shorter or longer time period as specified in the Lease), after Franchisee obtains possession of such site

(b) Franchisee agrees that it will not open the Restaurant for business without the prior written approval of SBARRO, which may be in the form of a written certification as determined by SBARRO. SBARRO's approval shall not relate to Franchisee's obligations with respect to any federal, state or local laws, codes or regulations, including, without limitation, the applicable provisions in the ADA regarding the construction, design and operation of the Restaurant, which shall be Franchisee's sole responsibility.

7 RESTAURANT MAINTENANCE, REPAIR AND REFURBISHING

Not more frequently than once every 30 months during the Term unless sooner required by the Lease, Franchisee agrees to effect such remodeling, updating and/or refurbishing of the Restaurant, in addition to regular maintenance and repair from time to time, as is required by SBARRO to maintain or improve the appearance and efficient operation of the Restaurant and/or increase its business potential

8 TRAINING

(a) Prior to commencement of the initial training (the "**Initial Training**"), the following events must occur

(i) All applicants for training must be approved by SBARRO, which approval shall not be withheld without good cause,

(ii) This Agreement and any related agreements, must be executed by Franchisee and SBARRO,

(iii) Franchisee and the lessor of the Location must have executed the Lease for the Restaurant location the Conditional Assignment of Lease and Consent and Agreement of Lessor attached hereto as Exhibit D, and Franchisee shall have provided a copy thereof to SBARRO, and

(iv) All outstanding amounts of money due and owing to SBARRO or others, in connection with the franchise must be paid

Initial Training shall commence approximately 5 weeks prior to the scheduled opening date of the Restaurant and shall last for a period of approximately 4 weeks

Training is mandatory for each of Franchisee's full-time Restaurant managers and must be completed to SBARRO's satisfaction before the Restaurant may be opened. Each Restaurant manager who undergoes Initial Training shall sign and deliver to SBARRO a Confidentiality Agreement, the current form of which is attached to SBARRO'S Franchise Disclosure Document

Depending on the size and location of the Restaurant, and at SBARRO'S sole discretion, the Franchisee shall be required to send 2 to 4 trainees to SBARRO'S Initial Training program including the Franchisee's full-time Restaurant manager. At Franchisee's cost and expense, all trainees shall attend SBARRO's Initial Training program at such times, and at such places as specified by SBARRO. During the training program, all trainees, including the Franchisee's full-time Restaurant manager, shall receive instruction, training and education in the operation of the Restaurant as SBARRO's deems necessary. Franchisee shall bear all personal expenses during the Initial Training program, including but not limited to, travel, food and lodging costs. In the event that any scheduled training is cancelled by reason of Franchisee or Franchisee's delayed opening of the Restaurant, Franchisee shall also reimburse SBARRO for SBARRO's out-of-pocket expenses incurred (including, without limitation, the travel, food and lodging costs of SBARRO's trainers) as a result of such cancellation.

(b) Franchisee shall implement a training program for employees of the Restaurant in accordance with training standards and procedures prescribed by SBARRO from time to time

Franchisee shall maintain, at all times during the Term of this Agreement, a staff of trained employees sufficient to operate the Restaurant in accordance with this Agreement. Franchisee agrees not to employ any person who is required to complete a training program but who fails or refuses to do so.

(c) Franchisee, or its full-time Restaurant manager, shall attend additional training programs, sales meetings, operations meetings, and conventions, as SBARRO may from time to time direct. All expenses incurred by the Franchisee in connection with attendance at training programs, sales meetings, operations meetings, and conventions shall be borne solely by Franchisee.

9 MANAGEMENT AND OPERATION OF THE RESTAURANT

(a) If Franchisee is, or at any time become, a business corporation, partnership, limited liability company or other legal entity ("**Business Entity**"), Franchisee agrees and represents that

(i) Franchisee has the authority to execute, deliver and perform Franchisee's obligations under this Agreement and are duly organized or formed and validly existing in good standing under the laws of the state of its incorporation or formation.

(ii) Franchisee's organizational or governing documents will recite that the issuance or transfer of any ownership interests in Franchisee is restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in Franchisee will bear a legend referring to the restrictions of this Agreement.

(iii) Franchisee represents that it has completed an "**Owners Statement**," appended to its application for a SBARRO's franchise that completely and accurately describes all of Franchisee's owners and their interests in Franchisee, and everyone who has voting or management rights and obligations.

(iv) Franchisee and Franchisee's owners agree to revise the Owners Statement as may be necessary to reflect any ownership changes and to furnish such other information about Franchisee's organization or formation as we may request (no ownership changes may be made without SBARRO's approval).

(v) Franchisee's owners must sign and deliver to SBARRO'S the Confidentiality, Non-Solicitation and Non-Competition Agreement. A copy of SBARRO's current Confidentiality and Non-Competition Agreement is attached as Exhibit B.

(vi) Franchisee's owners whom SBARRO designates and who collectively own not less than 51% of the equity and voting control of Franchisee, shall sign and deliver to us SBARRO'S standard form of owner's guaranty undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between Franchisee and SBARRO (the "**Owners Guaranty**"). A copy of SBARRO'S current form of Owners Guaranty is attached as Exhibit C.

At SBARRO'S request, Franchisee will promptly furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of Franchisee's owners.

and agents in Franchisee (e.g., articles of incorporation or organization and partnership, operating or shareholder agreements, etc.)

(b) Franchisee acknowledges and agrees that Franchisee's personal participation and day-to-day involvement in the management and operation of the Franchised Business is critical to its success and that SBARRO is granting this franchise to Franchisee on the condition that Franchisee agrees, and Franchisee therefore does agree, as follows

(i) If Franchisee is or at any time become, a Business Entity, Franchisee must designate as the "**Operating Principal**" an individual approved by SBARRO who must (1) own and control, or have the right to own and control (subject to terms and conditions reasonably acceptable to SBARRO), not less than 20% of Franchisee's equity interests in the Business Entity, (2) have the authority to bind the Business Entity regarding all operational decisions with respect to the Franchised Business, (3) be actively employed on a full-time basis to manage the Franchised Business's operations, and (4) have satisfactorily completed SBARRO'S initial training program and any other training programs SBARRO'S require from time to time

(ii) Franchisee (or Franchisee's Operating Principal) must (1) exert Franchisee's full-time and best efforts to the development, management and operation of the Restaurant, and (2) not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with Franchisee's obligations under this Agreement

(iii) At all times, Franchisee (or Franchisee's Operating Principal) must meet SBARRO'S initial and ongoing training and qualifications for Restaurant managers and participate personally on a daily basis in the direct operation of the Restaurant. In addition, the Restaurant must at least have one management-level employee who has satisfactorily completed SBARRO'S Initial Training, present and on duty at all times

If, at any time, Franchisee's Operating Principal cannot fulfill his responsibilities under this Agreement, Franchisee must appoint a replacement from among Franchisee's owners, subject to SBARRO'S approval, to serve as the replacement Operating Principal

(c) In order to maintain the high quality and uniform standards associated with the System and to promote and protect SBARRO's Proprietary Marks, goodwill, and reputation, Franchisee agrees

(i) To operate the Restaurant exclusively as a SBARRO Restaurant in strict conformity with the Manuals referred to in Section 14 hereof, and not to engage in any other type of business at the Location,

(ii) To sell all and only the food, menu items and other products required by SBARRO and not to sell any other food, menu items or products at the Location, and to obtain SBARRO's written consent prior to providing any food delivery services from the Location,

(iii) To equip, maintain, staff, and operate the Restaurant in strict accordance with the methods, procedures, and techniques as are from time to time established by SBARRO in its Manuals (as defined in Section 14 hereof) or otherwise,

(iv) To vigorously and aggressively promote the business by making use of the advertising, sales promotion and merchandising materials and programs developed and prescribed from time to time by SBARRO,

(v) To keep the Restaurant open for business the minimum number of days per week and hours per day prescribed by SBARRO from time to time or as required by or subject to the Lease if different from those prescribed by SBARRO,

(vi) To keep and maintain the Restaurant and its appearance in a clean and orderly manner consistent with the operation of a quality SBARRO Restaurant and in accordance with the directives of SBARRO which SBARRO deems necessary to protect the standards of quality and uniformity established by SBARRO for the System,

(vii) To comply at all times with federal, state, city municipalities and other local laws, regulations, codes and ordinances (including, without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Restaurant),

(viii) To maintain at all times sufficient food, supplies and personnel to operate the Restaurant at maximum capacity and efficiency,

(ix) To make any locally required assumed name registration filings under the SBARRO trade name utilized in connection with the operation of the Restaurant, and any such required filings shall clearly indicate, and shall not be construed as granting Franchisee any right, title or interest in said trade name, to operate the Restaurant under one or more of the Proprietary Marks as determined and instructed by SBARRO, and under no other mark or name, but such usage shall not be construed as granting Franchisee any right, title or interest in such Proprietary Marks other than pursuant to the terms and conditions contained in the license granted in this Agreement, to execute and deliver a Registered User Application related to the Proprietary Marks in a form and substance satisfactory to SBARRO prior to the use of any such Proprietary Marks, to use and display the Proprietary Marks prominently and in such manner as may from time to time be directed in writing by SBARRO, and not to use or display any other trade name, trademark, service mark, logo or designation,

(x) To deal fairly and honestly with the public and with SBARRO,

(xi) To conform to all standards of quality and service prescribed by SBARRO so as to sustain the good will and prestige that the Proprietary Marks enjoy with the public,

(xii) To accept customer payment by credit card, debit card, gift card or other method of payment required by SBARRO,

(xiii) To obtain SBARRO's written approval prior to establishing a Web site in connection with Franchisee's operation of the Restaurant, Franchisee shall submit to SBARRO a sample of the Web site information and shall operate the Web site only in the form and manner prescribed by SBARRO from time to time, and

(xiv) To participate in SBARRO's promotional programs for all restaurants and concessions operating under the System, as prescribed by SBARRO in the Manuals or otherwise in writing from time to time, including, but not limited to, selling and offering for sale gift cards which may be used at any SBARRO restaurant or concession for menu

items or products, and permitting customers who purchased gift cards from another SBARRO restaurant or concession or from SBARRO to use their gift cards for menu items or products at Franchisee's Restaurant

(d) Franchisee shall serve all the specified menu items described in SBARRO's Manuals (as defined in Section 14 hereof) (except insofar as SBARRO may in writing consent to the elimination of one or more of such menu items) All menu items shall be prepared, decorated and served in accordance with the recipes and specifications contained in such Manuals or as otherwise directed by SBARRO from time to time Without the written approval of SBARRO, no foods or beverages other than such specified menu items will be served by such Restaurant and no other items other than the items described in Section 9(a)(ii) hereof, will be sold from the Restaurant

(e) If Franchisee shall in any way fail to maintain the standards of quality or service established by SBARRO, SBARRO shall have the right to assign to such Restaurant such person or persons as it deems necessary for the training of Franchisee's employees and insuring that standards of quality and service are maintained Franchisee shall pay to SBARRO, SBARRO's actual costs for each such person so assigned to such Restaurant, plus travel and living expenses

(f) Franchisee shall, at Franchisee's expense, purchase, install and use such computer hardware and software, point-of-sale, and cash register equipment as required by SBARRO in the Manuals or otherwise in writing from time to time, and Franchisee shall execute any and all related maintenance, support, license, and/or other agreements as required by SBARRO

(i) SBARRO shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by Franchisee, including without limitation (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at the Restaurant (b) printers and other peripheral hardware or devices, (c) archival back-up systems, (d) Internet access mode and speed, and (e) physical, electronic, and other security systems (collectively, the "**Computer System**")

(ii) SBARRO shall have the right, but not the obligation, to develop or have developed for it, or to designate (a) computer software programs that Franchisee must use in connection with the Computer System (the "**Required Software**"), which Franchisee shall install at Franchisee's expense, (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install at Franchisee's expense, (c) the tangible media upon which Franchisee records data, and (d) the database file structure of the Computer System

(iii) At SBARRO's direction, Franchisee shall purchase or lease, and thereafter maintain, the Computer System and, if applicable, the Required Software SBARRO shall have the right at any time to remotely retrieve and use such data and information from Franchisee's Computer System or Required Software that SBARRO deems necessary or desirable Franchisee expressly agrees to strictly comply with SBARRO's standards and specifications for all items associated with Franchisee's Computer System and any Required Software in accordance with SBARRO's standards and specifications Franchisee agrees, at its own expense, to keep its Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to Franchisee's Computer System or Required

Software as SBARRO directs from time to time in writing Franchisee agrees that its compliance with this Section 9(d) shall be at Franchisee's sole cost and expense

(iv) Franchisee shall install and maintain the equipment, make the arrangements, and follow the procedures that SBARRO requires in the Manuals (including the establishment and maintenance of Internet, intranet, or extranet access or other means of electronic communication, as specified by SBARRO from time to time) to permit SBARRO to access, download, and retrieve electronically, by telecommunication or other designated method, any information stored in Franchisee's Computer System, including information concerning the Gross Revenues of the Restaurant, and to permit SBARRO to upload, and for Franchisee to receive and download, information from SBARRO (including advertising materials, the Manuals, and training tools) SBARRO shall have access to the information at the times and in the manner that SBARRO specifies from time to time

(g) SBARRO reserves the right to establish monthly POS system maintenance fees and website hosting fees to support POS system and website development and maintenance Any such fees shall be implemented and subject to adjustment upon thirty (30) days prior notification to Franchisee Franchisee agrees to pay all such fees when due and in the manner specified by SBARRO

10 OPERATING ASSISTANCE

(a) SBARRO shall furnish to Franchisee such operating assistance in connection with the operation of the Restaurant as SBARRO determines from time to time to be necessary Operating assistance will include, but is not limited to advice and guidance with respect to

(i) Evaluating personnel performance,

(ii) Food preparation and supplying menus, recipes and food required by Franchisee in its operations,

(iii) Formulating advertising and promotional programs, and

(iv) Evaluating and testing of new food developments and other improvements in the System and in Franchisee's Restaurant

(b) SBARRO will furnish to Franchisee the Manuals described in Section 14 hereof and other instructional and training material needed to provide guidance in the methods, procedures, recipes and techniques for operating the Restaurant SBARRO shall furnish from time to time such other manuals, business information, and literature as SBARRO determines will be helpful in improving the operation of the Restaurant

(c) SBARRO shall advise Franchisee from time to time of any operating problems experienced at the Restaurant, which problems are disclosed in reports submitted to or inspections made by SBARRO Franchisee shall be required to correct these problems within 7 days, unless the problems pertain to violations of a health ordinance, in which case those problems will be corrected within 24 hours after their occurrence

(d) Except as otherwise provided herein, SBARRO shall not charge Franchisee for such operating assistance, provided however that SBARRO shall have the right to make reasonable charges for forms and other materials supplied to Franchisee and for special operating

assistance made necessary in the judgment of SBARRO as a result of Franchisee's failure to comply with any provision of this Agreement, the Manuals or any specification, standard, or other operating procedure prescribed by SBARRO

11 ADVERTISING AND PROMOTION

(a) SBARRO shall have the right but not the obligation to establish a Marketing Fund. "**Marketing Fund**" means a separate segregated fund maintained by SBARRO or its designee following the guidelines established by SBARRO, consisting of payments from franchisees pursuant to their franchise agreements. The Marketing Fund shall be used for marketing, advertising, sales promotion and promotional materials, public and consumer relations, publicity, and any other programs that SBARRO deems necessary or appropriate. If SBARRO establishes a Marketing Fund, SBARRO shall notify Franchisee at least 60 days before the Marketing Fund begins operating. Thereafter, Franchisee must pay SBARRO a Marketing Fund contribution in such amount as SBARRO may determine from time to time, and in no event more than 4% of the Gross Revenues derived by, from, in, or through the Restaurant, payable weekly on Tuesday of each week on receipts of the preceding calendar week. Franchisee agrees that the Marketing Fund shall be maintained and administered by SBARRO or its designee as follows:

(i) SBARRO shall direct all marketing programs with sole discretion over the creative concepts, materials and media used in such programs, and the placement of fund allocations thereof. Franchisee agrees and acknowledges that the Marketing Fund is intended to maximize general public recognition and acceptance of the Proprietary Marks for the benefit of the System generally or for a geographic region of the System determined by SBARRO, and that SBARRO undertakes no obligation in administering the Marketing Fund to make expenditures for the Restaurant which are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or other marketing activities. The Marketing Fund is not a trust or escrow account, and SBARRO has no fiduciary obligations regarding the Marketing Fund.

(ii) All contributions to the Marketing Fund and any earnings shall be used exclusively to meet any and all costs of maintaining, administering, directing and preparing marketing activities (including cost of preparing and constructing marketing campaigns in various media, marketing surveys and other public relations activities) designed to promote the Proprietary Marks and the System, employing advertising agencies, and providing promotional brochures and other marketing materials to the Restaurant. All sums paid by Franchisee to the Marketing Fund and any earnings shall be maintained in an account separate from the other monies of SBARRO and shall not be used to defray any of SBARRO's expenses, except for such reasonable administrative costs, salaries, and overhead as SBARRO may incur in activities reasonably related to the administration or direction of the Marketing Fund and advertising programs for the franchisees and the System. SBARRO shall maintain separate bookkeeping accounts for the Marketing Fund.

(iii) It is anticipated that all contributions to and earnings of the Marketing Fund shall be expended for the purposes described above during the taxable year within which the contributions and earnings are received. If, however, excess amounts remain in the Marketing Fund at the end of such taxable year, all expenditures in the following

taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions

(iv) SBARRO reserves the right to defer or reduce contributions of Franchisee to the Marketing Fund and, upon 30 days prior written notice, to reduce or suspend Franchisee's payment of Marketing Fund contributions to and suspend operation of the Marketing Fund for one or more periods of any length and to terminate (and if terminated to reinstate) the Marketing Fund. If the Marketing Fund is terminated, all unspent monies on the date of termination shall be distributed to the franchisees in proportion to their respective contributions to the Marketing Fund during the preceding 3 month period, and amounts refunded shall be spent on local marketing

(v) The Marketing Fund is not and shall not be maintained an asset of SBARRO. A financial statement of the operations of the Marketing Fund shall be prepared annually and be made available to Franchisee for the previous fiscal year upon written request

(vi) Although the Marketing Fund is intended to be of indefinite duration, SBARRO maintains the right to terminate the Marketing Fund, to reduce required contributions of certain franchisees, or to suspend contributions

(b) In addition, Franchisee shall advertise its business locally expending an amount equal to at least 2% of Gross Revenues per month, and shall provide, upon SBARRO's request, such evidence as SBARRO may prescribe confirming such expenditure

(c) Franchisee shall not engage in any advertising program including electronic or computer advertising or use any other advertising, including local advertising at its own expense or otherwise, unless and until it has been approved in writing by SBARRO

(d) Purchases by Franchisee of imprinted paper goods, signs and related items containing the Proprietary Marks shall not be deemed an advertising expenditure and shall not be included in the contributions to advertising required to be made by Franchisee as above specified

(e) Franchisee specifically acknowledges and agrees that any Web site (as defined below) will be deemed "advertising" under this Agreement, and will be subject to (among other things) SBARRO's approval under this Section 11. As used in this Agreement, the term "**Web site**" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers and/or other devices linked by communications software. The term Web site includes, but is not limited to, the Internet and World Wide Web

(i) SBARRO shall have the right, but not the obligation, to establish and maintain a Web site, which may, without limitation, promote the Proprietary Marks and/or the System. Franchisee shall pay to SBARRO any fee imposed by SBARRO, or Franchisee's *pro rata* share of any fee imposed by a third party service provider, as applicable, in connection with hosting the Web site. SBARRO shall have the sole right to control all aspects of the Web site, including without limitation its design, content, functionality, links to other web sites, legal notices, and policies and terms of usage. SBARRO shall also have the right to discontinue operation of the Web site at any time without notice to Franchisee

(ii) Except as approved in advance in writing by SBARRO, Franchisee shall not establish or maintain a separate Web site, or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with the

Restaurant If such approval is granted by SBARRO, Franchisee shall establish and operate such Web site in accordance with SBARRO's standards and policies provided to Franchisee in the Manuals or otherwise in writing from time to time

(iii) SBARRO shall have the right to modify the provisions of this Section 11(e) relating to Web sites as SBARRO shall determine, in SBARRO'S sole discretion, is necessary or appropriate for the best interests of the System

12 BOOKKEEPING AND RECORDS

Franchisee shall establish a bookkeeping and record keeping system, maintaining full, complete and proper books, records, and related source documents, in accordance with generally accepted accounting principles, and such other and additional requirements as may be required by SBARRO from time to time, in order to accommodate any changes in accounting and/or bookkeeping systems as may be established, relating (without limitation) to the use and retention of sales checks, cash register tapes or point-of-sale system receipts, purchase orders, invoices, payroll records, check stubs, sales tax records and returns, cash receipts and disbursements, journals, general ledgers, and such other records as are normally maintained by a restaurant business, and as may be required by Federal and State laws, rules, codes and regulations. Franchisee, and all of its employees or agents who perform a cashier function, shall record at the time of each sale, in the presence of the customer (and provide the customer with a receipt therefor), all receipts from such sale or other transaction, whether for cash or credit, on a non-resettable cash register or point-of-sale system having a cumulative total which shall be sealed in a manner approved by SBARRO and which shall possess such other features as may be required by SBARRO

13 FINANCIAL STATEMENTS

Franchisee shall submit to SBARRO

(a) Within 30 days of the end of each quarter, an unaudited profit and loss statement of the Restaurant in a form satisfactory to SBARRO, for the preceding quarter and year to date, and

(b) By February 28th of each year, or if Franchisee maintains its books on a fiscal year basis, which shall be other than the calendar year, within 60 days from the close of said fiscal year, a profit and loss statement and a balance sheet from the close of each such year and, if requested by SBARRO, these shall be audited by an independent public accountant

14 MANUALS

(a) SBARRO will loan to Franchisee during the Term of this Agreement one set of SBARRO's confidential manuals ("**Manuals**"), including but not limited to the Operations Systems Users Guide and Recipe Manual, containing mandatory and suggested menus, recipes, specifications, standards and operating procedures and rules prescribed from time to time by SBARRO and information relative to other obligations of Franchisee hereunder as to the operation of the Restaurant. Franchisee shall not make copies of the Manuals (or any portions thereof) or thereafter use any information contained therein or other confidential information received by Franchisee during the Term hereof, other than as permitted by this Agreement. The entire contents of the Manuals will remain confidential and the property of SBARRO, and shall be returned to SBARRO immediately upon expiration or termination of the franchise granted by this Agreement.

(b) SBARRO shall have the right to add to and otherwise modify the Manuals from time to time to improve the standards of service or product quality for the efficient operation of the Restaurant, to protect and maintain the good will associated with the Proprietary Marks or to meet competition.

(c) The provisions of the Manuals, as modified from time to time, and mandatory menus, recipes, specifications, standards and operating procedures prescribed from time to time by SBARRO and communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein. All references herein to this Agreement shall include the provisions of the Manuals and all such mandatory specifications, standards and operating procedures and rules, menus, and recipes.

15 CONFIDENTIAL INFORMATION

(a) Franchisee shall hold in confidence the System and all parts thereof and shall not disclose the System or any part thereof to any person, entity, firm or corporation. It is understood and agreed that the System is a program of accounting, identification schemes, specifications, standards, management systems, recipes, menus, techniques, financial information (such as product costs and sources of supply), and business operations and procedures that would, if used by other persons, firms or corporations, give such other persons, firms, or corporations a substantial competitive advantage that is presently enjoyed by SBARRO, each of which Franchisee acknowledges is a trade secret of, and proprietary to, SBARRO. Franchisee accordingly agrees that it shall not at any time, either during the Term of this Agreement or after termination, expiration or non-renewal of this Agreement, without SBARRO's prior written consent, disclose (except to such employees or agents as must have access to such information in order to construct or operate the Restaurant) or use, or permit the use of the System or the Proprietary Marks, or any part thereof (except as may be required by applicable law or as authorized by this Agreement).

(b) Franchisee shall, at all times, treat as confidential the Manuals, and other manuals or materials designated for use within the System and such other information as SBARRO may designate from time to time for confidential use in conjunction with the System (as well as all other trade secrets, confidential information, knowledge, and know-how concerning the construction or operation of the Restaurant that may be imparted to, or acquired by, Franchisee from time to time in connection with this Agreement), and shall use diligent efforts to keep such information confidential. Any and all information, knowledge and know-how not generally known in the restaurant business about the System and SBARRO's services,

standards, specifications, systems, procedures and techniques, and such other information or material as SBARRO may designate as confidential, shall be deemed confidential for purposes of this Agreement, except information that Franchisee can demonstrate came to its attention prior to disclosure thereof by SBARRO, or that is or has become a part of the public domain through publication or communication by others. The Manuals, any other manuals or materials designated for use with the System and all confidential information and trade secrets, shall at all times be deemed to be, and shall remain, the sole property of SBARRO, and Franchisee shall acquire no right, title or interest therein by virtue of authorization pursuant to this Agreement to possess and use the same. Franchisee acknowledges that the unauthorized use or disclosure of such confidential information and trade secrets will cause incalculable and irreparable injury to SBARRO. Franchisee accordingly agrees that it shall not at any time, whether during the Term of this Agreement, or after termination, expiration or non-renewal hereof, without SBARRO's prior written consent, disclose (except to such employees or agents as must have access to such information in order to construct or operate the Restaurant) or use or permit the use (except as may be required by applicable law or authorized by this Agreement) of such information, in whole or in part, or otherwise make the same available to any unauthorized person or source.

(c) Franchisee shall cause any person who is actively involved in the management of the Restaurant at the time of employment, to enter into a "**Confidentiality Agreement**" in compliance with the provisions of this Section 15. Franchisee shall use its best efforts to prevent any such persons from using, in connection with the operation of any restaurant (other than the Restaurant) wherever located, the System and any of the Proprietary Marks. If Franchisee has reason to believe that any such person has violated the provisions of such Confidentiality Agreement, Franchisee shall notify SBARRO and shall cooperate with SBARRO to protect SBARRO against infringement or other unlawful use of the Proprietary Marks or the System, including but not limited to, the prosecution of any lawsuits if, in the judgment of counsel for SBARRO, such action is necessary or advisable.

16 INSURANCE

THE INSURANCE REQUIREMENTS SET FORTH HEREIN REPRESENT MINIMUM REQUIREMENTS THE FRANCHISEE MUST PROCURE AND MAINTAIN. THE FRANCHISEE, DEPENDING UPON ITS SIZE, LOCATION, OTHER OPERATIONS, AND OTHER RELEVANT FACTORS, SHOULD CONSULT ITS INSURANCE BROKER OR CARRIER TO EVALUATE THE FRANCHISEE'S PARTICULAR SITUATION IN ORDER TO DETERMINE IF MORE INSURANCE COVERAGE IS NEEDED TO ADEQUATELY AND PROPERLY INSURE THE FRANCHISEE'S OPERATION OF THE SBARRO RESTAURANT. FAILURE TO COMPLY WITH THE PROVISIONS SET FORTH HEREIN WILL RESULT IN A BREACH OF THIS AGREEMENT.

(a) Prior to the date of commencement of the business contemplated by this Agreement and no later than the earliest date on which the Franchisee uses any of the Proprietary Marks, Franchisee shall, at its own expense, procure and maintain in full force and effect, at all times during the Term of the Agreement, and any renewals hereof, the following insurance coverages with insurance carriers possessing a Best rating of 'A', IX, or better:

(i) "**All Risk Property Insurance**", on a full replacement cost basis, covering improvements and betterments, furniture and fixtures, personal property/contents, direct and contingent business interruption, loss of income/extra expense, Signs coverage, Rents and other fees due and payable to the landlord, merchant's association, etc.,

Royalty Fees due and payable to SBARRO hereunder for a period of at least 6 months Equivalent "All Risk" property insurance forms may be used if coverage is at least as broad,

(ii) Comprehensive General Liability (herein "**CGL**") insurance on Standard 1993 or later ISO Form at limits of \$1,000,000 per occurrence/\$2,000,000 aggregate (if the Franchisee operates more than one SBARRO restaurant, then the aggregate limit shall apply for each such location) subject to no deductible and no contractual limitation other than those found in a Standard Commercial General Liability Coverage Form Equivalent forms of CGL Insurance may be used if coverage is at least as broad,

(iii) If Franchisee is authorized to offer liquor for sale at the Restaurant, then Liquor Legal Liability insurance must be included within the Franchisee's CGL insurance coverage, within the specified limits or separate equivalent coverage shall be provided in writing,

(iv) Commercial Automobile Policy containing \$1,000,000 combined single limit of bodily injury and property damage liability, and which must include coverage for hired and non-owned vehicles as well as any owned or leased vehicles, if any,

(v) Statutory Workers' Compensation insurance to statutory limits and Employer's Liability insurance with minimum limits of at least \$1,000,000 including such other disability benefits type insurance as may be required by statute or rule of the state in which the Restaurant is located, and

(vi) Commercial Umbrella Liability insurance with limits which being the total of all primary underlying coverages (CGL, Employer's Liability and Liquor Legal Liability) to a minimum of \$5,000,000 total limit of liability Such umbrella liability insurance shall provide, at a minimum, those coverages and endorsements required in the underlying policies and shall follow the form of such underlying policies

(b) The above referenced policies shall be endorsed to name SBARRO FRANCHISE CO , LLC, its subsidiaries, affiliates and their respective partners, officers, directors, employees, successors, and assigns as "**Additional Insured**" (policies include General Liability, Liquor Liability, Automobile Liability, Umbrella), and "**Waiver of Subrogation**" (General Liability, Liquor Liability, Automobile Liability, Umbrella, and Workers Compensation), in favor of SBARRO FRANCHISE CO , LLC Furthermore, coverage for "**Additional Insured**" shall apply on a primary basis irrespective of any other insurance, whether collectable or not

(c) The purchase and maintenance of such insurances shall not excuse Franchisee from willful failure or neglect to operate the Restaurant in accordance with this Agreement or the Lease In the event that SBARRO may be obligated to fulfill Franchisee's obligations under the Lease or other agreement, or act as guarantor or surety for Franchisee, then SBARRO may require that the proceeds of such insurance coverages be made payable directly to SBARRO and/or others designated by SBARRO

(d) Franchisee shall deliver to SBARRO at least 30 days prior to the time any insurance is first required to be procured by Franchisee, and thereafter at least 30 days prior to the expiration of any such policy, certificates of insurance evidencing the proper insurance coverage with limits not less than those required hereunder Such certificates shall contain a statement by the insurer that the policies are in full force and effect and will not be canceled or materially altered without at least 30 days prior written notice to SBARRO

(e) Should Franchisee fail or neglect to obtain or maintain in continuous full force and effect, the insurance coverages required by this Agreement or by the terms and conditions of the Lease, then and in such event, at its exclusive option and without prior notice to Franchisee, SBARRO may purchase and obtain the required insurance coverages and Franchisee hereby specifically agrees to pay to SBARRO its costs and expenses in purchasing, obtaining, and maintaining such coverages

(f) Upon failure of the Franchisee to deliver to SBARRO copies of such insurance policies or certificates of insurance within the required time, then and in such event, at its exclusive option and without prior notice to Franchisee, SBARRO may purchase and obtain the required insurance coverages and Franchisee hereby specifically agrees to pay to SBARRO its costs and expenses in purchasing, obtaining and maintaining such coverages

(g) In any event, regardless of the provisions of this Section 16, Franchisee shall indemnify, defend, and hold SBARRO harmless against any loss, claim, action, or award that would be covered by such required insurance

(h) SBARRO reserves the right, from time to time and in its sole discretion, to modify the policy requirements as set forth in this Agreement, including increasing policy limits, setting and modifying maximum deductibles, and requiring additional types of insurance or endorsements

17 PROPRIETARY MARKS

(a) Franchisee expressly acknowledges that SBARRO is the owner of all right, title and interest in and to the Proprietary Marks, registered and unregistered, licensed to Franchisee by this Agreement. SBARRO warrants and represents that Franchisee is authorized to use the Proprietary Marks in accordance with the terms and conditions of this Agreement

(b) Franchisee agrees to use the Proprietary Marks only in compliance with rules prescribed from time to time by SBARRO. Franchisee shall not use any Proprietary Marks as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to Franchisee hereunder), nor may Franchisee use any Proprietary Marks in connection with the sale of any unauthorized product or service or in any manner not explicitly authorized in writing by SBARRO

(c) Franchisee shall immediately notify SBARRO, in writing, of any apparent infringement or challenge to Franchisee's use of the Proprietary Marks. SBARRO shall have sole discretion to take such action as it deems appropriate

(d) Subject to the provisions of Section 17(g), if it becomes advisable, at any time in the sole discretion of SBARRO, for Franchisee to modify or discontinue use of any Proprietary Marks and/or use one or more additional or substitute Proprietary Marks, Franchisee agrees to do so, at Franchisee's expense

(e) Franchisee shall not contest, directly or indirectly, SBARRO'S ownership, title, right, or interest in the Proprietary Marks, or the System or contest SBARRO'S sole right to register, use, or license others to use such Proprietary Marks

(f) Franchisee shall not attempt to register or otherwise obtain any interest in any Internet domain name or URL containing any of the Proprietary Marks or any other word, name, symbol or device which is likely to cause confusion with any of the Proprietary Marks

(g) SBARRO will indemnify and reimburse Franchisee for all damages for which Franchisee is held liable to third parties in any proceeding arising out of Franchisee's authorized use of any of the Proprietary Marks pursuant to and in compliance with this Agreement resulting from claims by third parties that Franchisee's use of any of the Proprietary Marks infringes their trademark rights, and for all costs Franchisee reasonably incurs in the defense of any such claim in which Franchisee is named as a party, so long as Franchisee has timely notified SBARRO of the claim and has otherwise complied with the terms of this Agreement. SBARRO will not indemnify Franchisee against the consequences of Franchisee's use of the Proprietary Marks except in accordance with the requirements of this Agreement. Franchisee must provide written notice to SBARRO of any such claim within 5 days of Franchisee's receipt of such notice and Franchisee must tender the defense of the claim to SBARRO or SBARRO'S nominee. SBARRO will have the right to defend any such claim and if SBARRO does, SBARRO will have no obligation to indemnify or reimburse Franchisee for any fees or disbursements of any attorney retained by Franchisee. If SBARRO elects to defend the claim, SBARRO will have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

18 INITIAL FRANCHISE FEE

The Franchisee shall pay an initial franchise fee ("**Initial Franchise Fee**") of _____ Dollars (\$_____) payable in full at the time of execution and delivery of this Agreement. The Initial Franchise Fee is refundable to Franchisee, less SBARRO's actual out-of-pocket expenses, only as provided in Section 4(b) and (c) of this Agreement. Unless required to do so by applicable law, no refund by SBARRO shall bear any interest. Unless required to do so by applicable law, SBARRO will not deposit the Initial Franchise Fee or any part thereof in any escrow, trust or such similar account.

19 ROYALTY FEE

(a) Franchisee agrees to pay SBARRO an ongoing royalty fee ("**Royalty Fee**") of ____% of the Gross Revenues derived by, from, in, or through the Restaurant payable weekly, on Tuesday of each week on receipts for the preceding calendar week. Concurrently with each payment of weekly Royalty Fees, Franchisee shall deliver to SBARRO a sales report showing the Royalty Fee computation thereof in the form prescribed by SBARRO. All such reports shall be transmitted by electronic data communication, facsimile transmission, or other method of delivery SBARRO may direct.

(b) The term "**Gross Revenues**" shall, for all purposes of this Agreement, mean the total revenues from all sales made by, from, in or through the Restaurant, deducting only sales taxes therefrom (to the extent charged to Franchisee by and paid by Franchisee to the applicable governing authority) and excluding only such revenues, if any, as may be required by applicable law.

(c) All Royalty Fees and other fees or payments due SBARRO shall bear interest after due date at a rate equal to the maximum interest rate permitted by law or in the absence of such a

maximum rate at the rate of eighteen percent (18%) per year Franchisee acknowledges that this Section shall not constitute SBARRO's agreement to accept such payments after same are due

(d) If SBARRO designates that payments required under this Section 19 be made by electronic fund transfer, Franchisee shall deposit all revenues from operation of the Restaurant into one bank account within 2 days of receipt, including cash, checks, credit card receipts or the value of other forms of payment Franchisee shall furnish to SBARRO, upon SBARRO's request, such bank and account number, a voided check from such bank account, and written authorization for SBARRO to withdraw funds from such bank account via electronic funds transfer without further consent or authorization for Franchisee's Royalty Fees due to SBARRO based upon Franchisee's Gross Revenues reports for the relevant time periods Franchisee agrees to execute any and all documents as may be necessary to effectuate and maintain the electronic funds transfer arrangement, as required by SBARRO Franchisee agrees to pay all costs associated with any such transfer In the event Franchisee changes banks or accounts for the bank account required by this Section 19(e), Franchisee shall, prior to such change, provide such information concerning the new account and an authorization to make withdrawals therefrom Franchisee's failure to provide such information concerning the bank account required by this Section 19(e) or any new account, or Franchisee's withdrawal of consent to withdrawals for whatever reason and by whatever method shall be a breach of this Agreement

20 PRODUCTS AND SUPPLIES

Franchisee shall purchase all raw food items including ingredients, mixes and condiments, and prepared food items, from suppliers, contractors and purveyors approved in writing by SBARRO If Franchisee desires to purchase any such items from a supplier, contractor, or purveyor other than SBARRO or a supplier, contractor, or purveyor who has not been approved by SBARRO, Franchisee shall submit to SBARRO a written request for approval or shall request the supplier contractor, or purveyor to do so, both of which requests shall contain a covenant to conform at all times to SBARRO's standards and specifications in effect from time to time

SBARRO shall have the right to require, as a condition of its approval that its representative be permitted to inspect the supplier, contractor, or purveyor's facilities and that samples be delivered, at SBARRO's option, to SBARRO for testing and that such samples demonstrate, to SBARRO's satisfaction, an ability to meet SBARRO's standards and specifications A charge not to exceed the cost of such inspection and testing shall be paid by the Franchisee or by the supplier, contractor, or purveyor seeking approval, and SBARRO shall not be liable for damage to any sample that may result from the testing process

The supplier, contractor or purveyor must also demonstrate to SBARRO the existence of quality controls, and the financial and managerial capacity to supply Franchisee's needs promptly and reliably SBARRO reserves the right (and the supplier, contractor, or purveyor shall agree thereto as a condition to SBARRO's approval thereof), at its option, to reinspect the facilities and to retest the products of any such approved supplier, contractor, or purveyor at any time, without prior notice, and, without liability and regardless of any contracted arrangement between Franchisee and the supplier, contractor, or purveyor, to revoke its approval if the supplier, contractor, or purveyor has failed to continue to meet any of the foregoing criteria

SBARRO reserves for itself the absolute right to be either the sole source of supplies or the sole designator of suppliers, contractors, or purveyors who will provide products, ingredients

or mixes involving trade secrets, confidential formulae, or confidential recipes and shall have no obligation to release any trade secret, confidential formulae, or confidential recipe to the Franchisee or any supplier, contractor or purveyor

If SBARRO discloses trade secrets or other confidential and proprietary information to the supplier, contractor or purveyor (including, without limitation, SBARRO's Manuals), the supplier, contractor or purveyor shall be required to execute SBARRO's standard form of Confidentiality Agreement, as a condition to SBARRO's disclosure or delivery of such information

SBARRO further retains and reserves the right in its sole discretion to manufacture and distribute products authorized for sale in SBARRO Restaurants under SBARRO's Proprietary Marks through retail food stores and other outlets and channels of distribution, without limitation

21 INSPECTION

(a) To determine whether Franchisee is complying with this Agreement including, without limitation all operational standards of the Manuals, SBARRO, through its employees, accountants, attorneys, and any other agent named by SBARRO, shall have the right at any time during business hours and without prior notice to Franchisee, to enter the Restaurant and inspect same. Such rights of inspection shall include, but not be limited to, the right to

(i) visually inspect and observe the Restaurant,

(ii) observe and video tape the operation of the Restaurant for such consecutive or intermittent periods as SBARRO deems appropriate,

(iii) remove samples of any food and beverage products, supplies, consumables or other products for testing or analysis,

(iv) interview personnel and guests of the Restaurant,

(v) inspect and copy any books, records and documents relating to the operation of the Restaurant including all accounting and employee records and books of account, and

(vi) conduct food safety programs, "secret shopper" programs, interactive voice response customer satisfaction measurement programs and/or "customer intercept" programs

(b) SBARRO shall notify Franchisee in writing of any deficiencies which are disclosed by such inspections and may notify Franchisee of problems which are brought to SBARRO's attention

(c) Franchisee shall correct any deficiencies or problems within 7 days of receipt of notice of deficiency or problem unless same pertain to violations of a health, sanitation or safety law or ordinance in which case such violation will be corrected immediately but in all events within 24 hours

(d) Such inspections shall be made at SBARRO'S expense, provided, however, that if SBARRO makes more than one inspection within any twelve-month period during the Term or any extension or renewal thereof, in connection with Franchisee's repeated or continuing failure to comply with this Agreement, SBARRO shall have the right to charge Franchisee for the costs of making all such further inspections in connection with such failure to comply, including without limitation travel expenses, room and board and compensation of SBARRO'S employees

(e) SBARRO shall have the right to audit or cause to be audited the sales reports and financial statements that Franchisee is required to submit pursuant to this Agreement. If any such audit shall disclose an understatement of the Gross Revenues of the Restaurant for any period or periods, Franchisee shall pay to SBARRO, within 15 days after receipt of the audit report the understated Royalty Fee together with interest thereon at the rate of 18% per year (or, if lower, the maximum rate of interest allowed by law), calculated from the date when such Royalty Fee should have been paid to the date of actual payment. Further, if such understatement for any period or periods shall be 5% or more of the originally reported Gross Revenues for such period or periods, Franchisee shall reimburse SBARRO for the cost of such audit including, without limitation, the charges of any independent accountant, and the travel expenses, room, and board, and compensation of such accountant and of employees of SBARRO.

22 DEFAULT AND TERMINATION

(a) **Automatic** If any one or more of the following events take place, then Franchisee will be deemed to be in default under this Agreement, and all rights granted in this Agreement shall automatically terminate without notice to Franchisee:

(i) if Franchisee becomes insolvent or make a general assignment for the benefit of creditors,

(ii) if Franchisee files a petition in bankruptcy or such a petition is filed against and not dismissed within 30 days following commencement,

(iii) if Franchisee is adjudicated bankrupt or insolvent (to the extent permitted under the U S Bankruptcy Code),

(iv) if a bill in equity or other proceeding for the appointment of a receiver for Franchisee or another custodian for Franchisee's business or assets is filed and consented to by Franchisee,

(v) if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction,

(vi) if proceedings for a composition with creditors under any state or federal law is instituted by or against Franchisee,

(vii) if a final judgment remains unsatisfied or of record for 30 days or longer (unless appealed or a supersedeas bond is filed),

(viii) if Franchisee is dissolved,

- (ix) if execution is levied against Franchisee's business or property,
- (x) if suit to foreclose any lien or mortgage against the Restaurant premises or equipment is instituted against Franchisee and not dismissed within 30 days, and/or
- (xi) if the real or personal property of the Restaurant shall be sold after levy thereupon by any sheriff, marshal, or constable
- (b) **With Notice** If any one or more of the following events takes place, then Franchisee will be deemed to be in default under this Agreement, and SBARRO will have the right to terminate this Agreement and all rights granted under this Agreement, without affording Franchisee any opportunity to cure the default, effective immediately upon the delivery of SBARRO'S written notice to Franchisee
- (i) If Franchisee fails to obtain SBARRO S approval of a Location within the required time period or if Franchisee fails to construct and open the Restaurant within the time limits provided in this Agreement,
- (ii) If Franchisee at any time cease to operate or otherwise abandon the Restaurant for two (2) consecutive business days (during which Franchisee is otherwise required to be open, and without SBARRO'S prior written consent to do so), lose the right to possession of the Approved Location, or otherwise forfeit the right to do or transact business in the jurisdiction where the Restaurant is located (however, if through no fault of Franchisee's, the premises are damaged or destroyed by an event such that Franchisee cannot complete repairs or reconstruction within 90 days thereafter, then Franchisee will have 30 days after such event in which to apply for SBARRO'S approval to relocate and/or reconstruct the premises, which approval SBARRO shall not unreasonably withhold),
- (iii) If Franchisee or any of Franchisee's Owners are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that SBARRO believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or SBARRO'S interest therein or are determined to have submitted inaccurate information to SBARRO which SBARRO relied upon for the purpose of awarding franchise rights,
- (iv) If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Restaurant,
- (v) If Franchisee or any of Franchisee's owners purport to assign any rights, interests, or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 25,
- (vi) If Franchisee fails to comply with any of the covenants contained in Section 24,
- (vii) If, contrary to the terms of this Agreement, Franchisee discloses or divulges the contents of the Manual or other Confidential Information,
- (viii) If Franchisee knowingly maintains false books or records, or submit any false reports (including, but not limited to, information provided as part of Franchisee's application for this Franchise) to SBARRO,
- (ix) If Franchisee commits 3 or more defaults under this Agreement in any 365 day period, whether or not each such default has been cured after notice,

(x) If Franchisee sells products that SBARRO has not previously approved, or purchase any product from a supplier that SBARRO has not previously approved, or if Franchisee sells any proprietary products anywhere other than from the Restaurant or sell any proprietary products other than at retail,

(xi) If Franchisee engages in any conduct or practice that is fraudulent, unfair, unethical or a deceptive practice,

(xii) If Franchisee engages in delivery services from the Restaurant without having first obtained SBARRO'S prior written consent,

(xiii) If Franchisee makes any unauthorized or improper use of the Proprietary Marks, or if Franchisee or any of Franchisee's owners use the Proprietary Marks in a manner that SBARRO does not permit (whether under this Agreement and/or otherwise) or that is inconsistent with SBARRO'S direction, or if Franchisee or any of Franchisee's owners directly or indirectly contest the validity of SBARRO'S ownership of the proprietary Marks, SBARRO'S right to use and to license others to use the Proprietary Marks, or seek to (or actually do) register any of SBARRO'S Proprietary Marks with any agency (public or private) for any purpose without SBARRO'S prior written consent to do so

(xiv) If Franchisee fails to pay any fine, fee, penalty, tax assessment or levy against Franchisee when levied or due,

(xv) If Franchisee shall knowingly or recklessly serve in the Restaurant food or beverages which have been adulterated or misbranded, or which is unsafe or which has been packaged, prepared, poorly maintained in violation of any governmental statute, regulation or code intended to protect the public health or safety, and/or

(xvi) If Franchisee fails to fully comply with the provisions of Sections 4(d), (e), and (f)

(c) With Notice and Opportunity to Cure

(i) Except as otherwise provided in Sections 22(a) and 22(b), if Franchisee is in default of Franchisee's obligations under this Agreement, SBARRO may only terminate this Agreement by giving Franchisee written notice of termination stating the nature of the default at least (1) 10 days for a monetary default and (2) 30 days for a non-monetary default, before the effective date of termination, provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to SBARRO'S satisfaction, and by promptly providing proof of the cure to SBARRO, all within the 30 day period. If any such default is not cured within the specified time (or such longer period as applicable law may require), then this Agreement shall terminate upon notice to Franchisee of SBARRO'S election to terminate the Agreement.

(ii) If Franchisee or any of Franchisee's Owners or affiliates are in default under the terms of any other franchise agreement or other contract between Franchisee (and/or Franchisee's Owners and/or affiliates) and (1) SBARRO (and/or SBARRO'S affiliates) and (2) any creditor of supplier of the Restaurant that will also constitute a default under Section 22

(d) Bankruptcy If, for any reason, this Agreement is not terminated pursuant to this Section 22, and this Agreement is assumed, or assignment of the same to any person or entity

who has made a bona fide offer to accept an assignment of this Agreement is contemplated, pursuant to the U S Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth

(i) the name and address of the proposed assignee, and

(ii) all of the terms and conditions of the proposed assignment and assumption shall be given to SBARRO not less than 10 days before the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption

SBARRO will thereupon have the prior right and option, to be exercised by notice given at any time before the effective date of such proposed assignment and assumption, to accept an assignment of this Agreement to SBARRO upon the same terms and conditions, and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by Franchisee out of the consideration to be paid by such assignee for the assignment of this Agreement

(e) **SBARRO'S Rights Instead of Termination** If SBARRO is entitled to terminate this Agreement in accordance with Sections 18(b) or 18(c), SBARRO will also have the right to take any lesser action instead of terminating this Agreement

(f) **Reservation of Rights** If any rights, options or arrangements are terminated or modified in accordance with Section 22(e), such action shall be without prejudice to SBARRO'S right to terminate this Agreement in accordance with Sections 22(b) or 22(c), and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement

23 FRANCHISEE'S OBLIGATIONS UPON TERMINATION, EXPIRATION OR NON-RENEWAL

Upon termination or expiration of this Agreement and the franchise granted herein

(a) Franchisee agrees to pay SBARRO within 7 days such Royalty Fees and other charges as have then become due hereunder and are unpaid or to pay immediately upon demand such as thereafter become due as a result of any audit that may be conducted by SBARRO

(b) Franchisee will immediately return to SBARRO all copies of the Manuals. Franchisee shall not make any copies of the Manuals (or portions thereof) nor thereafter use any information contained therein or other confidential information received by Franchisee during the Term of this Agreement

(c) Franchisee will take such action as may be required to cancel all assumed name or equivalent registrations relating to the use of the Proprietary Marks by Franchisee and to notify the telephone company and all listing agencies of the termination, expiration or non-renewal of Franchisee's right to use all telephone numbers and all classified and other directory listings for the Restaurant and to authorize same to transfer to SBARRO or its designee all such numbers and directory listings. Franchisee acknowledges that as between SBARRO and Franchisee, SBARRO has the sole rights to and interest in all telephone numbers and directory listings associated with the Proprietary Marks and authorizes SBARRO to direct the telephone company and all listing agencies to transfer same to SBARRO or its designee. Should Franchisee fail to

do so, the telephone company and all listing agencies may accept such direction pursuant to this Agreement as conclusive of the exclusive rights of SBARRO in and to such telephone numbers and directory listings and its authority to direct their transfer

(d) Franchisee will immediately remove all signs, Proprietary Marks, menu board, inserts, point of sale materials and all other items of decor and design and all items of trade dress and trade style which would, or would tend to, identify the franchised location as a "**SBARRO**" facility and shall cease any use of the Proprietary Marks and System. If Franchisee fails promptly to so "**de-image**" the Restaurant, SBARRO may do so at Franchisee's sole cost and expense. Franchisee will not directly or indirectly, in any manner, identify itself, or any individual connected with Franchisee, or the franchised location as a "**former SBARRO Restaurant**" or as a former Franchisee of or otherwise associated with SBARRO or use in any manner or for any purpose the Proprietary Marks or other indicia of the System.

(e) SBARRO shall have the option, exercisable within 30 days, to purchase from Franchisee, at fair market value, all approved equipment, fixtures, furniture, signs, supplies, food, materials, leasehold improvements, and items imprinted with the Proprietary Marks. If SBARRO and Franchisee cannot agree on the fair market value of any such item, such value shall be determined as follows: equipment, fixtures, furniture, and signs shall be valued at cost less depreciation at the rate of 2% per month for the first year of the Term of this Agreement and 1% per month thereafter. All materials, supplies, food and other expendable items shall be valued at cost.

(f) Franchisee shall relinquish all interest of every kind and description that it has in the Restaurant and in the Lease, and hereby appoints SBARRO as its attorney-in-fact to execute such documents on Franchisee's behalf if Franchisee fails to do so, and thereafter, upon demand by SBARRO, Franchisee shall vacate and surrender to SBARRO the Restaurant premises.

(g) SBARRO shall continue to have the right to have all books, records and accounts of the Franchisee examined by SBARRO's employees or auditors or other agents to determine whether all sums required to be paid to SBARRO under this Agreement have in fact been paid through the date of such termination or expiration. If such examination reveals any underpayment, then Franchisee shall remit any deficiencies thereof to SBARRO upon demand, with interest as provided in Section 21(e) hereof.

(h) Franchisee shall immediately irrevocably assign and transfer to SBARRO or its designee any and all interests Franchisee may have in any Web site maintained by Franchisee in connection with the Restaurant and in the domain name and home page address related to such Web site. Franchisee shall immediately execute any documents and perform any other actions required by SBARRO to effectuate such assignment and transfer and otherwise ensure that all rights in such Web site revert to SBARRO or its designee, and hereby appoints SBARRO as its attorney-in-fact to execute such documents on Franchisee's behalf if Franchisee fails to do so. Franchisee may not establish any Web site using any similar or confusing domain name and/or home page address.

(i) In the event this Agreement is terminated prior to the end of its Term due to Franchisee's default hereunder, in addition to the amounts set forth in Section 23(a) above, Franchisee shall promptly pay to SBARRO a lump sum payment (as damages and not as a penalty) for breaching this Agreement in an amount equal to (1) the average monthly Royalty Fees, Marketing Fund contributions and advertising contributions payable by Franchisee under Sections 11(a), 11(b), 19(a) and 19(b) hereof over the 12 month period immediately preceding the date of termination,

or, if Franchisee failed to report Gross Revenues for any month during such 12 month period, the most recent 12 months for which Franchisee has reported Gross Revenues, (or such shorter time period if the Restaurant has been open less than 12 months), (2) multiplied by the lesser of 36 or the number of months then remaining in the then-current Term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages SBARRO will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light of the damages for premature termination which SBARRO will incur. This lump sum payment will be in lieu of any damages SBARRO may incur as a result of Franchisee's default, but it shall be in addition to all amounts provided above in Section 23(a) and any attorneys' fees and other costs and expenses to which SBARRO is entitled under the terms of this Agreement. Franchisee's payment of this lump sum shall not affect SBARRO's right to obtain appropriate injunctive relief and remedies to enforce this Section 23 and the covenants set forth in Sections 15 and 24 hereof.

24 COVENANTS

(a) Franchisee agrees that during the Term except as SBARRO has otherwise approved in writing, Franchisee shall devote full time, energy, and best efforts to the management and operation of the Franchised Business.

(b) Franchisee acknowledges and agrees that (i) pursuant to this Agreement, Franchisee will have access to valuable trade secrets, specialized training and confidential information from SBARRO and SBARRO'S affiliates regarding the development, operation, management, purchasing, sales, and marketing methods and techniques of the System, (ii) the System and the opportunities, associations and experience SBARRO has established and that Franchisee will have access to under this Agreement are of substantial and material value, (iii) in developing the System, SBARRO and SBARRO'S affiliates have made and continue to make substantial investments of time, technical and commercial research, and money, (iv) SBARRO would be unable to adequately protect the System and its trade secrets and confidential information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among franchisees in the System if franchisees were permitted to hold interests in Competitive Businesses (as defined below), and (v) restrictions on Franchisee's right to hold interests in, or perform services for, Competitive Businesses will not unreasonably or unnecessarily hinder Franchisee's activities. As used in this Agreement, the term "**Competitive Business**" is agreed to mean a retail business that sells or offers pizza, salads, and/or Italian style sandwiches and food that separately or in the aggregate would constitute 30% or more of that businesses monthly Gross Revenue (less beverage sales) at any one or more retail location(s).

(c) **Covenant Not to Compete or Engage in Injurious Conduct** Accordingly, Franchisee and Franchisee's owners covenant and agree that, during the Term and for a continuous period of 2 years after the expiration or termination of this Agreement and/or a Transfer, Franchisee and Franchisee's owners shall not directly, indirectly, for Franchisee, or through, on behalf of or in conjunction with any party, in any manner whatsoever, do any of the following:

(i) Divert or attempt to divert any actual or potential business or customer of any SBARRO Restaurant to any competitor or otherwise take any action injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

(ii) Employ or seek to employ any person who is then employed by SBARRO or any other SBARRO Restaurant franchisee or developer, or otherwise directly or indirectly induce such person to leave his or her employment. In addition to any other rights and remedies available to SBARRO under this Agreement, in the event of a violation of this Section 24(c), SBARRO will have the right to require Franchisee to pay to SBARRO (or such other SBARRO Restaurant franchisee or developer, as the case may be) an amount equal to 3 times the annual salary of the person(s) involved in such violation, plus an amount equal to SBARRO'S costs and reasonable attorney's fees incurred in connection with such violation.

(iii) Engage in, franchise or license, make loans to, lease real or personal property to, and/or have any direct or indirect ownership interest in, or render services or give advice to, any Competitive Business.

(d) During the Term, there is no geographical limitation on the restrictions set forth in Section 24. During the 2-year period following the expiration or earlier termination of this Agreement and/or a Transfer, these restrictions shall apply within the Protected Territory and a 10 miles radius of the Location and any then-existing Restaurant, except as SBARRO may otherwise approve in writing. These restrictions shall not apply to Restaurants that Franchisee operates that SBARRO (or SBARRO'S affiliates) have franchised to Franchisee pursuant to a valid franchise agreement.

(e) Franchisee further covenants and agrees that, for a continuous period of 2 years after the expiration or termination of this Agreement, Franchisee will not, either directly or indirectly, for Franchisee, or through, on behalf of, or in conjunction with any person, firm, partnership, corporation, or other entity, sell, assign, lease, or Transfer the Location to any person, firm, partnership, corporation, or other entity that Franchisee knows, or has reason to know, intends to operate a Competitive Business at the Location. Franchisee, by the terms of any conveyance selling, assigning, leasing, or transferring Franchisee's interest in the Location, shall include these restrictive covenants as is necessary to ensure that a Competitive Business that would violate this Section is not operated at the Location for this 2 year period, and Franchisee shall take all steps necessary to ensure that these restrictive covenants become a matter of public record.

(f) **Periods of Non-Compliance** If, at any time during the 2-year period following expiration or termination of this Agreement, Franchisee fails to comply with Franchisee's obligations under this Section 24, then that period of noncompliance will not be credited toward Franchisee's satisfaction of the 2 year obligation specified above.

25 ASSIGNMENT

(a) This Agreement is fully assignable by SBARRO and shall inure to the benefit of any assignee or other legal successor to the interests of SBARRO as set forth herein.

(b) This Agreement and the franchise granted herein are personal to Franchisee and neither this Agreement, the franchise, nor any part of the ownership of Franchisee (which shall mean and include voting stock, securities convertible into voting stock, proprietorship and general partnership interests) may be voluntarily, involuntarily, directly or indirectly assigned, or otherwise transferred or encumbered by Franchisee or its owners (including, without limitation, by will, declaration of, or transfer in trust or the laws of intestate succession) without the prior written approval of SBARRO provided that such approval shall not be required for the

assignment, transfer, or encumbrances of shares of a corporation where shares are publicly traded on a national exchange. Any such assignment, transfer or encumbrance without such approval shall constitute a breach hereof. This Agreement does not give Franchisee the right to grant a subfranchise or similar right.

(c) If this Agreement is transferred to, or operated by, a corporation whose shares are not publicly-traded on a national exchange, such corporation shall

(i) limit its activities to acting exclusively as a SBARRO Restaurant under this Agreement,

(ii) execute a document in such form as shall be approved by SBARRO in which it agrees to become a party to and be bound by all the provisions of this Agreement to the same extent as if it were named as Franchisee herein,

(iii) have any individual owner, partner, officer or shareholder of the corporation and their spouses agree to be personally liable in all respects under this Agreement and to have all such individuals execute, on forms approved by SBARRO, personal guaranties and agreements not to sell, assign, pledge, mortgage or otherwise transfer or encumber the shares of the corporation, and

(iv) have all stock certificates representing shares in the corporation bear the following legend

"The shares of stock represented by this certificate are subject to the terms and conditions, including restrictions on transfer, set forth in a Franchise Agreement dated _____, 20____, between [Franchisee] and SBARRO FRANCHISE CO, LLC, copies of which are on file in the principal offices of [Franchisee] and SBARRO FRANCHISE CO, LLC"

(v) have all individual owners, partners, and shareholders of the corporation execute an addendum to this Agreement designating a single shareholder or partner as the Operating Principal of Franchisee for the purposes of all dealings with SBARRO

(d) If the Franchisee is an individual and dies and his/her personal representatives or heirs desire to continue to operate the Restaurant and if, under controlling local law, the deceased Franchisee's interest in the Restaurant, the franchise, and this Agreement are distributable to those heirs or legatees who are members of the immediate family and who otherwise would qualify as franchisees hereunder, then such an assignment by operation of law shall not be deemed in violation hereof, provided such heirs or legatees agree in writing to be bound by and accept the terms and conditions of this Agreement

(e) Consent to an assignment otherwise permitted or permissible may be refused by SBARRO unless prior to the effective date of the assignment the following minimum conditions precedent exist

(i) All obligations of Franchisee in connection with the Restaurant, the terms and conditions of this Agreement and the Franchise granted herein have been assumed by assignee in writing,

(ii) All ascertained or liquidated debts owed by Franchisee to SBARRO and all other creditors in connection with Restaurant and its operations have been paid in full,

(iii) Franchisee is not in default under any provisions of this Agreement, the Lease, or any other agreement with SBARRO,

(iv) Assignee has completed the then-current training program for new operators,

(v) Assignee has executed SBARRO's then-current standard Franchise Agreement for a full Term as provided therein,

(vi) Franchisee or assignee has paid SBARRO a transfer fee equal to the greater of \$3,500 or 10% of the then current Initial Franchise Fee for its expenses for assignee's training and on-site field, technical, and management supervision and training and for its reasonable legal and accounting fees, credit, and investigation charges and expenses incurred as a consequence of such assignment

(vii) Franchisee and all officers, directors and shareholders of any corporation to which this franchise and Agreement have been assigned shall execute a general release in favor of SBARRO, its affiliates and subsidiaries,

(viii) Assignee meets the financial and business experience requirements then in effect for all new franchisees, and

(ix) The assignee shall be required to do any remodeling, renovation or refurbishing of the Restaurant, as may be reasonably required by SBARRO, and complete same within 60 days following the assignment

(f) Franchisee or its representative shall give SBARRO written notice of Franchisee's intent to sell or otherwise transfer this Agreement and the franchise granted herein. The notice shall set forth the name and address of the proposed purchaser or assignee and must be accompanied by true and complete copies of all contracts and documents of the contemplated sale, assignment or assignee. SBARRO shall have the first option to purchase the Restaurant by giving written notice to Franchisee of its intention to purchase on the same terms as the proposed sale or assignment within 30 days following SBARRO'S receipt of such notice. However, if SBARRO fails to exercise its option and the Restaurant is not subsequently sold or transferred to the proposed purchaser or assignee within 90 days of Franchisee's initial notice to SBARRO for any reason, SBARRO shall continue to have, upon the same conditions, a first option to purchase the Restaurant upon the terms and conditions of any subsequent proposed sale or transfer.

(g) If Franchisee, under this Agreement, consists of more than one individual or is a partnership, all the provisions of this Agreement and specifically the restrictions on and other provisions relating to assignment shall apply to each individual or each partner.

(h) If Franchisee has assigned this Agreement to a corporation and Franchisee thereafter dies, the provisions of Subsection (d) hereof shall apply to transfer of the corporate stock in the same manner that they would have applied to transfer of the Restaurant had Franchisee not assigned this Agreement to a corporation.

(i) If the Franchisee is a partnership or a corporation whose shares are not publicly traded on a national exchange, there shall be an agreement by and between such partners or shareholders for a buy-out or other form of transfer of a deceased partner's interest or a deceased shareholder's shares to the surviving partner(s) and shareholder(s). The purpose of

such agreement is to permit the surviving partner(s) or shareholder(s) to operate the SBARRO Restaurant without interference from the estate of the deceased partner or shareholder. Such agreement shall be in such form as shall be approved by SBARRO and shall be executed prior to or simultaneously with the execution of this Agreement.

26 ENFORCEMENT

(a) SBARRO may enforce by judicial process its right to terminate this Agreement for the causes enumerated in any term, condition, or provision of this Agreement and pursuant to any rights it may have under any other agreements with Franchisee. Franchisee agrees to entry without bond of temporary and permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If SBARRO secures any such injunction or order of specific performance, Franchisee further agrees to pay SBARRO an amount equal to the aggregate of its costs of obtaining any such relief, including without limitation reasonable attorney's fees, costs of investigation, proof of facts, court costs, other litigation expenses, travel and living expenses, and any damages incurred by SBARRO as a result of the breach of any such provisions.

(b) Should Franchisee fail or neglect to deliver the reports and statements required by Sections 13 or 19(a) hereof within the respective periods set forth therein and should such failure or neglect continue for ten (10) days after receipt of written demand for the same from SBARRO, SBARRO shall, in addition to any rights provided elsewhere in this Agreement, have the right thereafter to make such examination of Franchisee's books and records as may be necessary to certify the amounts of Franchisee's Gross Revenues and compute the amounts due and owing from Franchisee to SBARRO. The certification so made as to Gross Revenues shall be binding upon the Franchisee who shall thereupon immediately pay to SBARRO all sums found to be due and owing to SBARRO, together with the highest rates of interest as provided in Section 19(d) hereof. Franchisee shall also immediately pay to SBARRO the reasonable costs of such examination.

(c) Should Franchisee fail or neglect (i) to establish and maintain a bookkeeping and record keeping system in accordance with Section 12 hereof or in accordance with any Term, condition or provision of the Lease for Franchisee's Restaurant location, or (ii) to complete or submit the reports and statements required by Section 13 hereof or by any term, condition or provision of the Lease, then and in such event, should such failure or neglect continue for 10 days after the date of written demand for the same from SBARRO, or from the landlord of the Location, SBARRO shall, in addition to any rights provided elsewhere in this Agreement, have the right, thereafter, to employ a certified public accountant to make or complete any such reports or statements and to submit the same to those entitled to receive the same. The reports and statements so made or completed or submitted by the accountant shall be binding upon Franchisee. If, based upon such reports or statements, sums of money are found to be due and owing pursuant to this Agreement, or the Lease, Franchisee shall immediately pay all such sums together with any interest provided for by the Lease. Franchisee shall also immediately pay to SBARRO the reasonable costs of such examination.

(d) Franchisee shall fully and completely cooperate with the certified public accountant employed pursuant to Subsections 26(b) and 26(c) hereof.

(e) The provisions of Subsections 26(b), 26(c), and 26(d) hereof are in addition to any and all other rights and remedies provided for under the terms of this Agreement or the Lease, as well as at law and in equity.

(f) Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act 15 U S C Section 1051 et seq), as amended, this Agreement shall be governed by the laws of the State of Ohio. The parties mutually agree that the courts having jurisdiction when SBARRO'S principal office is then located shall be the exclusive and mandatory venue and exclusive and mandatory forum in which to adjudicate any action arising from or relating to this Agreement and any guarantees hereof, undertakings hereunder provided and relationship established thereby, however, with respect to any action (i) for monies owed, (ii) for injunctive or other extraordinary relief, or (iii) involving the possession or disposition of, or other relief relating to, real property, the Proprietary Marks or SBARRO'S confidential information, SBARRO may bring such action in any court of competent jurisdiction. The parties irrevocably submit to the jurisdiction of such courts and waive any objections to either the jurisdiction of or venue in such courts. This Agreement was executed and accepted at SBARRO'S place of business in Columbus, Ohio. The parties anticipate that the performance of certain Franchisee's obligations arising under this Agreement shall occur in Columbus, Ohio.

(g) EXCEPT FOR FRANCHISEE'S OBLIGATIONS TO INDEMNIFY SBARRO AND CLAIMS FOR UNAUTHORIZED USE OF THE PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, FRANCHISEE, FRANCHISEE'S OWNERS AND SBARRO EACH WAIVE TO THE FULL EXTENT PERMITTED BY LAW ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER FRANCHISEE AND SBARRO ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISEE AND SBARRO, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS

(h) FRANCHISEE, FRANCHISEE'S OWNERS AND AFFILIATES AND SBARRO EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER FRANCHISEE OR SBARRO

(i) ANY DISPUTE AND ANY LITIGATION WILL BE CONDUCTED AND RESOLVED ON AN INDIVIDUAL BASIS ONLY AND NOT A CLASS-WIDE, MULTIPLE PLAINTIFF OR SIMILAR BASIS. ANY SUCH PROCEEDING WILL NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING INVOLVING ANY OTHER PERSON, EXCEPT FOR DISPUTES INVOLVING AFFILIATES OF THE PARTIES

(j) If a claim for amounts owed by Franchisee, or Franchisee's owners or affiliates to SBARRO or any of SBARRO'S affiliates is asserted in any legal proceeding or if either Franchisee or SBARRO is required to enforce this Agreement or any ancillary agreements in a judicial proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and attorneys' fees. Attorneys' fees will include, without limitation, reasonable legal fees charged by attorneys, paralegal fees, and costs and disbursements, whether incurred prior to, or in preparation for, or contemplation of, the filing of written demand or claim, action, hearing, or proceeding to enforce the obligations of the parties under this Agreement. If SBARRO becomes a party to any action or proceeding commenced or instituted against SBARRO by a third party arising out of or relating to this Agreement, any related agreements, or the Restaurant as a result of any claimed or actual act, error or omission of Franchisee (and/or any of Franchisee's officers, directors, shareholders, members, management, employees, contractors and/or representatives), by virtue of statutory, "vicarious", "principal/agent" or other liabilities asserted against or imposed on SBARRO as a result of SBARRO'S status as Franchisor, or if SBARRO becomes a party to any litigation or any insolvency proceeding involving Franchisee

pursuant to any bankruptcy or insolvency code (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then Franchisee will be liable to, and must promptly reimburse SBARRO for, attorneys' fees and all other expenses SBARRO incurs in such action or proceeding regardless of whether such action or proceeding proceeds to judgment. In addition, SBARRO will be entitled to add all costs of collection, interest, and attorneys' fees to SBARRO'S proof of claim in any insolvency or bankruptcy proceeding. Franchisee file

27 INDEPENDENT CONTRACTORS INDEMNIFICATION

SBARRO and Franchisee are independent contractors. Nothing in this Agreement shall be construed in any manner to create between SBARRO and Franchisee the relationship of joint venturers or partners, employer and employee, master or servant or principal and agent. Neither party shall act in any manner to imply any such relationship. SBARRO shall neither be obligated nor bound by any agreements, representations or warranties made by Franchisee nor shall SBARRO be held liable for any damages to any person or property directly or indirectly arising out of the operation of the Restaurant whether caused by Franchisee's negligent or willful action or failure to act, or otherwise. Franchisee agrees to indemnify, hold harmless and defend SBARRO against and to reimburse SBARRO for all such obligations and damages for which SBARRO is held liable as well as for any claims, suits, judgments, or actions that arise out of Franchisee's operation of the Restaurant and for all costs incurred by SBARRO in the defense of any such claim brought against it or in any action in which it is named as a party, including, without limitation, reasonable attorneys' fees, costs of investigation, and proof of facts, court costs, other litigation expenses, and travel and living expenses. SBARRO shall have the right to defend any such claim or action with counsel of its choice, and Franchisee shall advance all costs of defense incurred by SBARRO upon demand therefor.

28 MISCELLANEOUS

(a) This Agreement is binding upon the parties hereto and their respective heirs, assigns and successors in interest.

(b) The preamble, recitals and any exhibits hereto are a part of this Agreement that constitutes the entire agreement between the parties. With the exception of the Franchise Disclosure Document described in Section 34(c), there are no other oral or written understandings or agreements between SBARRO and Franchisee relating to the subject matter of this Agreement. Nothing in this Agreement or in any related agreements is intended to disclaim the representations SBARRO made in the Franchise Disclosure Document. The headings of the several sections hereof are for convenience only and do not define, limit or construe the contents of such sections. The Term "Franchisee" as used herein is applicable to one or more persons, a corporation or a partnership, as the case may be, and the singular usage includes the plural. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized representatives in writing.

(c) SBARRO and Franchisee agree that if any provision of this Agreement is capable of two constructions, one of which renders the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the language of all provisions of this Agreement shall be construed in favor of validity and enforceability.

(d) It is the desire and intent of SBARRO and Franchisee that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any provision of this Agreement is adjudicated to be invalid or unenforceable, such adjudication is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. SBARRO and Franchisee agree to substitute a valid and enforceable provision for any specification, standard, operating procedure or rule, or any other obligation of Franchisee, or any obligation of SBARRO, which is determined to be invalid or unenforceable and is not waived by the other. If any applicable law or rule requires a longer prior notice of the termination of or election not to renew this Agreement, or the taking of some other action hereunder, than is required hereunder, the longer prior notice required by such law or rule shall be substituted for the notice requirements hereof.

(e) Whenever this Agreement requires SBARRO'S advance approval, agreement or consent, Franchisee agrees to make a timely written request for it. Our approval or consent will not be valid unless it is in writing. Except where expressly stated otherwise in this Agreement, SBARRO has the absolute right to refuse any request by Franchisee or to withhold SBARRO'S approval of any action or omission by Franchisee. If SBARRO provides to Franchisee any waiver, approval, consent, or suggestion, or if SBARRO neglects or delays SBARRO'S response or deny any request for any of those, SBARRO will not be deemed to have made any warranties or guarantees which Franchisee may rely on, and will not assume any liability or obligation to Franchisee. In no event may Franchisee make any claim for money damages based on any claim or assertion that SBARRO has unreasonably withheld, delayed or conditioned any consent or approval of this Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Franchisee's sole remedy for the claim will be an action or proceeding to enforce this Agreement provisions, for a specific performance or for declaratory judgment.

(f) We will not be deemed to have waived SBARRO'S right to demand exact compliance with any of the terms of this Agreement, even if at any time.

(i) SBARRO does not exercise a right or power available to SBARRO under this Agreement,

(ii) SBARRO does not insist on Franchisee's strict compliance with the terms of this Agreement,

(iii) if there develops a custom or practice which is at variance with the terms of this Agreement, or

(iv) if SBARRO accepts payments which are otherwise due to SBARRO under this Agreement. Similarly, SBARRO'S waiver of any particular breach or series of breaches under this Agreement or of any similar Term in any other agreement between Franchisee and SBARRO or between SBARRO and any other franchise owner, will not affect SBARRO'S rights with respect to any later breach by Franchisee or anyone else. Franchisee and Franchisee's Owners acknowledge that SBARRO has and may, at different times, in SBARRO'S absolute and sole discretion, approve exceptions or changes from the uniform standards of the System, which SBARRO deems desirable or necessary under particular

circumstances Franchisee understands that Franchisee has no right to object to or automatically obtain such variances, and any exception or change must be approved in advance by SBARRO in writing Franchisee understands that existing franchisees may operate under different forms of agreements and that the rights and obligations of existing franchisees may differ materially from this Agreement

(g) Franchisee acknowledges that under applicable U S law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the "Order"), SBARRO is prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order Accordingly, Franchisee represents and warrants to SBARRO that as of the date of this Agreement neither Franchisee nor any person holding any ownership interest in Franchisee, controlled by Franchisee, or under common control with Franchisee is designated under the Order as a person with whom business may not be transacted by SBARRO, and that Franchisee (1) does not and hereafter shall not, engage in any terrorist activity, (2) is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity, and (3) is not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity

(h) **ANY AND ALL CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP BETWEEN FRANCHISEE AND/OR FRANCHISEE'S OWNERS AND SBARRO MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY(S) WITHIN 1 YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM (REGARDLESS OF WHEN IT BECOMES KNOWN), EXCEPT FOR CLAIMS ARISING FROM (i) CLAIMS FOR INDEMNIFICATION, AND/OR (ii) UNAUTHORIZED USE OF THE PROPRIETARY MARKS IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES THAT THE FAILURE TO STRICTLY COMPLY WITH THE FOREGOING TIME LIMITATIONS SHALL ACT TO IRREVOCABLY BAR SUCH CLAIMS OR ACTIONS HOWEVER, THIS PROVISION DOES NOT LIMIT SBARRO'S RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY**

(i) SBARRO will not, because of this Agreement or by virtue of any approvals, advice or services provided to Franchisee, be liable to any person or legal entity who is not a party to this Agreement Except as specifically described in this Agreement, no other party has any rights because of this Agreement

29 STANDARD OF REASONABLENESS

SBARRO agrees to exercise reasonable business judgment with respect to all determinations to be made by SBARRO pursuant to this Agreement (except those to be made in SBARRO's sole discretion), including, without limitation the nature and extent of the operational assistance required by Franchisee from time to time, specifications and standards for food, equipment, fixtures, signs, supplies and materials and approval of any suppliers thereof, products and services, specifications, standards and operating procedures and rules prescribed from time to time for the Restaurant

30 LIMITED LIABILITY COMPANY/PARTNERSHIP/CORPORATION

If the Franchisee is a limited liability company, partnership or corporation or if SBARRO approves the transfer of this Agreement and the franchise granted herein to a limited liability company, partnership or corporation pursuant to Section 25 hereof or otherwise, such limited liability company, partnership or corporation shall conduct no other business other than the operation of a Restaurant pursuant to this Agreement (or other franchise agreements, if any, with SBARRO or Franchisee) and all managers/members of such limited liability company, general partners of such partnership or officers and shareholders of voting stock of such corporation shall execute this Agreement, or a Guaranty in a form and substance satisfactory to, and approved by and/or directly used by SBARRO, and be bound jointly and severally by all provisions hereof provided, that the provisions of this Section 30 shall not apply to a corporation whose shares are publicly traded on a national exchange. No manager/member of any such limited liability company or partner of any such partnership or officer or shareholder of any such corporation may conduct any other restaurant business without the prior written consent of SBARRO.

31 NOTICES

All notices which SBARRO shall or may serve upon Franchisee pursuant to the Terms hereof shall be sent as follows:

All notices that Franchisee shall or may serve upon SBARRO shall be sent as follows:

SBARRO FRANCHISE CO , LLC
1328 Dublin Road
Columbus, OH 43215
Attention Franchise Department

with copies to Attention General Counsel

Either party hereto may from time to time provide additional addresses or substitute addresses as the case may be by notice pursuant to this Section 31. All notices permitted or required to be delivered by the provisions of this Agreement or of the Manuals shall be in writing and shall be deemed effective upon receipt or refusal when delivered via the United States Postal Service by Certified Mail, Return Receipt Requested, or Express Mail or via recognized national (or, as appropriate, international) courier, Return Receipt Requested, with postage or fees prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

32 RISK OF OPERATIONS

Franchisee recognizes that there are many uncertainties of this business and, therefore, Franchisee agrees and acknowledges that, except as specifically set forth in this Agreement, no representations, warranties, guarantees, or agreements have been made to Franchisee, either by SBARRO or by anyone acting on its behalf or purporting to represent it, including, but not limited to, the viability of the Location, the prospects for successful operations, the level of

business or profits that Franchisee might reasonably expect, the desirability, profitability, or expected traffic volume of the Location, notwithstanding the fact that SBARRO may select the franchised location with Franchisee's prior approval thereof. Franchisee hereby acknowledges that all such factors are necessarily dependent upon variables that are beyond SBARRO's control, including, without limitation, the ability, motivation, amount, and quality of effort expended by Franchisee, and therefore, Franchisee releases SBARRO, its subsidiaries, successors and affiliated corporations, their officers, directors, affiliates and employees from any and all claims, suits, and liability relating to the operation of the Location, including, but not limited to, the viability of the Location or the results of its operation.

33 MODIFICATION OF THE SYSTEM

Franchisee recognizes and agrees that from time to time hereafter, SBARRO may change or modify any portion of the System and the Proprietary Marks including, but not limited to, the adoption and use of new or modified trade names, service marks, trademarks or copyrighted materials, new menu items, modification of Restaurant design including, but not limited to, trade dress, awnings, signage, or new operations techniques. Franchisee shall accept and use, for the purpose of this Agreement, any such change in the System, including new or modified Proprietary Marks or copyrighted materials, new menu items, Restaurant modification, new signage or new techniques, as if they were part of this Agreement at the time of execution hereof. Franchisee shall make such expenditures and such changes or modifications in the System as SBARRO in its sole discretion, deems advisable.

34 FRANCHISEE ACKNOWLEDGMENTS

(a) Franchisee acknowledges that it has conducted an independent investigation of the franchise granted hereunder and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee and its affiliates as an independent business operator. SBARRO expressly disclaims the making of and Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

(b) Franchisee acknowledges that it has read and understood this Agreement including any exhibits attached hereto and that its representatives have been given the opportunity to clarify provisions that it did not understand and that it had ample time and opportunity to consult with advisors of its own choosing. Franchisee further represents that it understands the terms, conditions and obligations of this Agreement and the franchise and agrees to be bound thereby.

(c) Franchisee acknowledges that it has received SBARRO's Franchise Disclosure Document at least 14 calendar days prior to (i) the date that it has executed this Agreement, or (ii) a payment to SBARRO or an affiliate in connection with the proposed franchise sale.

(d) Franchisee acknowledges that neither SBARRO nor anyone acting on behalf of SBARRO has made any representations, inducements, promises or agreements, orally or otherwise, respecting the subject matter of this Agreement that is not embodied herein, or in SBARRO's Franchise Disclosure Document. Franchisee further acknowledges that neither SBARRO nor its representatives has made any representation or guarantees orally or in writing as to any gross sales, net profits, gross profits, revenues or other earnings that they can expect.

(e) Franchisee is aware of the fact that some franchisees of SBARRO may operate under different forms of agreements and, consequently, that SBARRO's obligations and rights in respect to its various franchisees may differ materially in certain circumstances

THIS AGREEMENT SHALL NOT BE BINDING ON SBARRO UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF SBARRO THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL AND UNLESS THE FRANCHISEE SHALL HAVE RECEIVED A FRANCHISE DISCLOSURE DOCUMENT AND RELATED DOCUMENTS, IF ANY, IN SUCH FORM AND MANNER AS MAY BE REQUIRED UNDER OR PURSUANT TO APPLICABLE FEDERAL AND STATE LAW

IN WITNESS WHEREOF, the parties hereto have signed this Agreement Upon execution and delivery of this Agreement by both parties the effective date shall be the date first above written

SBARRO FRANCHISE CO , LLC ("SBARRO")

By _____
Title _____
Date _____

("FRANCHISEE")

By _____
Title _____
Date _____

**EXHIBIT A TO SBARRO FRANCHISE CO , LLC
FRANCHISE AGREEMENT
MAP OR DESCRIPTION OF DESIGNATED AREA**

Description of Designated Area

FRANCHISEE

By _____
Name _____
Title _____

SBARRO FRANCHISE CO , LLC

By _____
Name _____
Title _____

**EXHIBIT B TO SBARRO FRANCHISE CO , LLC
FRANCHISE AGREEMENT**

CONFIDENTIALITY, NONSOLICITATION AND NONCOMPETITION AGREEMENT

As an inducement to SBARRO FRANCHISE CO , LLC (**us**’, or “**our**” or “**we**”) to execute and deliver the Franchise Agreement between us and _____ (the “**Business Entity**”) _____, 201__ (the “**Franchise Agreement**”), the undersigned (“**you**” or “**your**”), each having an ownership interest in the Business Entity, agree as follows

1 Definitions

(a) **Affiliate** The term “**affiliate**” means, with respect to any person, any other person that directly, indirectly, or through one or more intermediaries, controls, is controlled by or is under common control with, such person, and includes any subsidiaries or other business entities that are beneficially owned by such person or its affiliates

(b) **Agreement** The term “**Agreement**” means this Confidentiality, Nonsolicitation and Noncompetition Agreement

(c) **Competitive Business** The term “**Competitive Business**” means a retail business that sells or offers pizza, salads, and/or Italian style sandwiches and food that separately or in the aggregate would constitute 30% or more of that businesses monthly gross revenue (less beverage sales) at one or more retail location(s)

(d) **Confidential Information** The term “**Confidential Information**” includes the System, including but not limited to, a program of accounting, identification schemes, specifications, standards, management systems, recipes, menus, techniques, financial information and business operations as well as the contents of the Manuals provided by us to the Business Entity for operation of the Restaurant as well as any other information described in Section 16 of the Franchise Agreement as constituting “**Confidential Information**”

(e) **Person** The term “**person**” means any corporation, professional corporation or association, partnership (limited or general), joint venture, trust, association or other business entity or enterprise or any natural person

(f) **Restaurant** A Sbarro Restaurant operated pursuant to the System utilizing Sbarro’s Proprietary Marks

(g) **System** The term “**System**” includes the system of methods, procedures, special designs, food formulas and recipes, menus and operating policies and advertising techniques utilized in the operation of a Sbarro Restaurant

OPERATIVE TERMS

You and we agree as follows

1 Confidentiality You will (a) not use the Confidential Information in any other business or capacity, (b) maintain the absolute confidentiality of the Confidential Information during and after the term of your ownership in, or employment by us, (c) not make unauthorized copies of any portion of the Confidential Information disclosed in written or electronic form, and (d) comply with all procedures we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information

2 In-Term Competitive Restrictions During the time that you are one of our owners, unless we otherwise permit in writing, you agree that you will not, directly or indirectly (e g , through a spouse or child)

(a) have any direct or indirect interest as a disclosed or beneficial owner, or in any other capacity in any business or facility owning, operating or managing, or granting franchises or licenses to others to do so, any Competitive Business, wherever located,

(b) act as a landlord, guarantor or lender to a Competitive Business or perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located,

(c) recruit or hire any of our employees or employees of our affiliates, or any of our franchisees, without obtaining the prior written permission of that person's employer, or

(d) divert or attempt to divert any business or customer of the Restaurant to any Competitive Business, or otherwise take any action injurious or prejudicial to the goodwill associated with the System

In the event of a violation of Section 2(c), we will have the right to require you to pay to us, our affiliate or the affected franchisee, and you agree to pay an amount equal to 3 times the annual salary of the person involved in such violation, plus an amount equal to our cost and mutual attorneys' fees incurred in connection with such a valid violation. Nothing in this Section prohibits you from having a direct or indirect interest as a disclosed or beneficial owner in a publicly held Competitive Business, as long as such securities represent less than 5% of the number of shares of that class of securities which are issued and outstanding

3 Post-Term Competitive Restrictions For a period of 2 years following the date that you cease to be one of our owners, you agree that you will not, directly or indirectly (e g , through a spouse or child)

(a) have any direct or indirect interest as a disclosed or beneficial owner, or in any other capacity in a Competitive Business located or operating (i) within 10 miles of the Restaurant, or (ii) within 10 miles of any Restaurant, whether owned by us, our affiliates, or any of our franchisees in operation or under construction on the date you cease to be one of our owners or employees,

(b) act as a landlord, guarantor, lender or perform services as a director, officer, manager, employee consultant, representative, agent or otherwise for a Competitive Business located or operating (i) within 10 miles of the Business Entity's Restaurant, or (ii) within 10 miles of any Restaurant, whether owned by us, our affiliates, or any of our

franchisees in operation or under construction on the date you cease to be one of our owners or employees,

(c) recruit or hire any employee of ours, or our affiliates, or any of our franchisees, without obtaining the prior written permission of that person's employer, or

(d) divert or attempt to divert any business or customer of the Business Entity's Restaurant to any Competitive Business, or otherwise take any action injurious or prejudicial to the goodwill associated with the System

In the event of a violation of Section 3(c), we will have the right to require you to pay to us, our affiliate or the affected franchisee, and you agree to pay an amount equal to 3 times the annual salary of the person involved in such violation, plus an amount equal to our cost and mutual attorneys' fees incurred in connection with such a valid violation. Nothing in this Section prohibits you from having a direct or indirect interest as a disclosed or beneficial owner in a publicly held Competitive Business, as long as such securities represent less than 5% of the number of shares of that class of securities which are issued and outstanding.

4 **Acknowledgment** You expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants contained in this Agreement will not deprive you of your personal goodwill or ability to earn a living.

5 **Severability and Substitution** To the extent that any portion of this Agreement is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, length of time or remedy, but may be made enforceable by reduction, adjustment, or modification of any or all thereof, you and we agree that this Agreement will be enforced to the fullest extent permissible under the laws or public policies of the jurisdiction in which enforcement is sought and such reduced or modified provision will be enforced to the fullest extent.

6 **Acquisition** You agree that the confidentiality and competitive undertakings and restrictions survive any change in our ownership, any merger or consolidation, any sale of our assets, and any assignment or transfer of this Agreement.

7 **Extension of Time Period** The time period during which you are to refrain from any of the activities listed in this Agreement will be automatically extended by any length of time during which you or any of your affiliates, successors, or assigns are in breach of any provision of this Agreement. This Agreement will continue through the duration of the extended time periods.

8 **Suspension of Compensation** We will not be required to pay any other compensation to you during any period of time in which you are in breach of this Agreement. Upon such breach, you forfeit payment of such amounts without limitation on any other remedies available to us for redress.

9 **No Defense or Setoff** You must not assert, by way of defense or setoff, any alleged breach or damage caused by you if we must enforce this Agreement against you.

10 **Injunctive Relief** You and we agree that the breach of this Agreement will result in irreparable harm to us, and that no monetary award can fully compensate us if you violate it. Thus, if you breach this Agreement, you agree that we will be entitled to an injunction restraining you from any further breach. Such injunctive relief may be obtained without bond, but upon due

notice, in addition to such other and further remedies or relief as may be available to us at equity or law

11 **Miscellaneous**

(a) **Complete Agreement** This Agreement contains the complete agreement between the parties concerning this subject matter. This Agreement supersedes any prior or contemporaneous agreement, representation or understanding, oral or written, between them. The continued relationship between the parties described in this Agreement constitutes full and sufficient consideration for the binding commitment of the parties to this Agreement.

(b) **Waiver and Amendment** A waiver or amendment of this Agreement, or any provision of it, will be valid and effective only if it is in writing and signed by all parties or the party waiving such provision. No waiver of any term of this Agreement will operate as a waiver of any other term of this Agreement or of that same term at any other time.

(c) **Rights Cumulative** No right or remedy available to any party is exclusive of any other remedy. Each and every remedy will be cumulative to any other remedy given under this Agreement, or otherwise legally existing upon the occurrence of a breach of this Agreement.

(d) **Governing Law and Forum** This Agreement is governed by Ohio law without regard to conflict of laws principles. The parties agree that any state court of general jurisdiction sitting in the county and state where we then maintain our principal place of business at the time an action is commenced or United States District Court for the county and state where we then maintain our principal place of business at the time the action is commenced shall be the exclusive venue and the forum in which to adjudicate any case or controversy pertaining to this Agreement. The exclusive choice of jurisdiction does not preclude the bringing of any action by any party for the enforcement of any judgment obtained in any such jurisdiction, in any other appropriate jurisdiction. The provisions of the Franchise Agreement, to the extent they are not inconsistent with the express provisions of this Agreement, are affirmed, ratified and incorporated herein by reference.

(e) **Third-Party Beneficiary** The parties understand and acknowledge that the Franchisor's affiliates and the Business Entity are third-party beneficiaries of the terms of this Agreement and, at their option, may enforce the provisions of this Agreement with you. Your obligations under this Agreement will continue for the benefit of our successors and assigns.

(f) **Background Information** The background information is true and correct and is incorporated into this Agreement. This Agreement will be interpreted with reference to the background information.

Intending to be bound, the parties sign below

SBARRO FRANCHISE CO , LLC

"YOU"

Signature _____

Print Name _____

Title _____

Date _____

Signature _____

Print Name _____

Title _____

Date _____

**EXHIBIT C TO SBARRO FRANCHISE CO , LLC
FRANCHISE AGREEMENT**

OWNER'S GUARANTY

As an inducement to Sbarro Franchise Co , LLC ("**us**", or "**our**" or "**we**") to execute and deliver the Franchise Agreement between us and _____ (the "**Business Entity**") dated _____, 201____ (the "**Agreement**"), and any collateral agreements between the Business Entity, and us, or any of our Affiliates or Approved Suppliers ("**Collateral Agreements**") the undersigned ("**you**"), each having an ownership interest in Business Entity agree as follows

1 **Scope of Guaranty** Each of you signing this Guaranty jointly, severally and unconditionally (a) guarantee to us and our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and each Collateral Agreement, (b) agree to be personally bound by every provision of the Agreement, any Collateral Agreement or any Owner pertaining to the Business Entity, and (c) agree to be personally liable for and indemnify us against any loss or damage, we or our Affiliates may sustain or a result of any breach of provision of the Agreement, or any Collateral Agreement by the Business Entity or any other Owner

2 **Waivers** Each of you waive (a) acceptance and notice of acceptance by us of your obligations under this Guaranty (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you, (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you, (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability, (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty, and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors

3 **Consents and Agreements** Each of you consent and agree that (a) your direct and immediate liability under this Guaranty are joint and several, (b) you must render any payment or performance required under the Agreement and each Collateral Agreement upon demand if the Business Entity fails or refuses punctually to do so, (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person, (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty, and (e) this Guaranty will continue and is irrevocable during the term of the Agreement and each Collateral Agreement and, if required by the Agreement after its termination or expiration

4 **Enforcement Costs** If we are required to enforce this Guaranty in any judicial or mediation proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', mediators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty

5 **Effectiveness** Your obligations under this Guaranty are effective on the Agreement Date (as defined in the Agreement), regardless of the actual date of signature. Defined terms that are used but not otherwise defined in this Guaranty shall have the meanings ascribed to them in the Agreement.

6 **Governing Law and Venue** THIS GUARANTY IS GOVERNED BY OHIO LAW. YOU AND WE AGREE THAT ANY STATE COURT OF GENERAL JURISDICTION SITTING IN THE COUNTY AND STATE WHERE OUR PRINCIPAL PLACE OF BUSINESS AT THE TIME AN ACTION IS COMMENCED OR THE UNITED STATES DISTRICT COURT FOR THE COUNTY AND STATE WHERE OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED AT THE TIME THE ACTION IS COMMENCED SHALL BE THE VENUE AND EXCLUSIVE FORUM IN WHICH TO ADJUDICATE ANY CASE OR CONTROVERSY WHATSOEVER BETWEEN OR AMONG YOU, THE BUSINESS ENTITY'S AND/OR ITS OWNERS AND US AND EACH OF YOU ARE OBLIGATED TO SUBMIT TO THE JURISDICTION OF SUCH COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OF VENUE OF SUCH COURTS. THE EXCLUSIVE CHOICE OF JURISDICTION DOES NOT PRECLUDE THE BRINGING OF ANY ACTION FOR THE ENFORCEMENT OF ANY JUDGMENT OBTAINED IN ANY SUCH JURISDICTION, IN ANY OTHER APPROPRIATE JURISDICTION.

All undefined terms in this Owner's Guaranty shall have the same meanings ascribed to such terms in the Agreement.

Each of you now sign and deliver this Guaranty effective as of the date of the Agreement regardless of the actual date of signature.

**PERCENTAGE OF OWNERSHIP
INTEREST IN BUSINESS ENTITY**

GUARANTOR(S)

Print Name _____
Date _____

Print Name _____
Date _____

Print Name _____
Date _____

**EXHIBIT D TO SBARRO FRANCHISE CO , LLC
FRANCHISE AGREEMENT**

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "**Assignment**") is made, entered into and effective as of the effective date of the Lease (as defined herein below), by, between and among **SBARRO FRANCHISE CO , LLC**, a Delaware limited liability company, with its principal business address located at 1328 Dublin Road, Columbus, OH 43215 ("**Franchisor**"), and _____ whose current principal place of business is _____ ("**Franchisee**")

BACKGROUND INFORMATION

Franchisor entered into that certain Franchise Agreement (the "**Franchise Agreement**") dated as of _____, 20__ with Franchisee, pursuant to which Franchisee plans to own and operate a SBARRO Restaurant (the "**Restaurant**") located at _____ (the "**Site**") In addition, pursuant to that certain Lease Agreement (the "**Lease**"), Franchisee has leased or will lease certain space containing the Restaurant described therein from _____ (the "**Lessor**") The Franchise Agreement requires Franchisee to deliver this Assignment to Franchisor as a condition to the grant of a franchise

OPERATIVE TERMS

Franchisor and Franchisee agree as follows

- 1 Background Information** The background information is true and correct This Assignment will be interpreted by reference to, and construed in accordance with, the background information
- 2 Incorporation of Terms** Terms not otherwise defined in this Assignment have the meanings as defined in the Lease
- 3 Indemnification** Franchisee agrees to indemnify and hold Franchisor and its affiliates, stockholders, directors, officers and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee's breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease
- 4 Conditional Assignment** Franchisee hereby grants to Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory, licenses and supplies located in the Site and the franchise relating to the Restaurant, and all of Franchisee's rights, title and interest in and to the Lease as collateral for the payment of any obligation, liability or other amount owed by Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of Franchisee's breach of the Lease, then such payment by Franchisor, or such breach or

default by Franchisee, shall at Franchisor's option be deemed to be an immediate default under the Franchise Agreement, and Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of Franchisor under any other Agreements or under other applicable laws or equities. In addition, if Franchisor or its affiliates elects to acquire the assets of the Restaurant or acquires the ownership interests of Franchisee, and Lessor agrees to Franchisor's assumption thereof, Franchisee will assign all of its rights to the Lease and the Site to Franchisor. This Assignment shall constitute a lien on the interest of Franchisee in and to the Lease until satisfaction in full of all amounts owed by Franchisee to Franchisor. In addition, the rights of Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5 No Subordination Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, or any liens securing the initial bank financing for the development of the Restaurant at the Site as provided in the Franchise Agreement. Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of Franchisor. Any attempt at termination, modification, or amendment of any of the terms without such written consent is null and void.

6 Exercise of Remedies In any case of default by Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

- (a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys,
- (b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of Franchisee
- (c) to exclude Franchisee, its agents or employees from the Site,
- (d) as attorney-in-fact for Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Restaurant and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter,
- (e) to cancel or terminate any unauthorized agreements or subleases entered into by Franchisee, for any cause or ground which would entitle Franchisor to cancel the same,
- (f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations,

additions, betterments, and improvements to the Site or the Site that may seem judicious, in the sole discretion of Franchisor, and

(g) to insure and reinsure the same for all risks incidental to Franchisor's possession, operation and management thereof, and/or

(h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of Franchisee's default under the Lease

7 Power of Attorney Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage, and operate the Site to any person, firm, or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights powers, and immunities, exoneration of liability and rights of recourse and indemnity as Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified, or altered without the written consent of Franchisor.

8 Election of Remedies It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between Franchisor and Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by Franchisor or any of the rights hereunder will cure, waive or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by Franchisor of any such rights and remedies shall be construed as a waiver by Franchisor of any future rights and remedies.

9 Binding Agreements This Assignment and all provisions hereof shall be binding upon Franchisor and Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10 Assignment to Control This Assignment governs and controls over any conflicting provisions in the Lease.

11 Attorney's Fees, Etc In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or mediation or bankruptcy proceeding from the non-prevailing Party.

12 Severability If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such

section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written

THE "FRANCHISEE"

(Name of Business Entity)

By _____

Print Name _____

Title _____

Date _____

If Individual(s)

Sign _____

Print Name _____

Date _____

Sign _____

Print Name _____

Date _____

Sign _____

Print Name _____

Date _____

THE "FRANCHISOR"

SBARRO FRANCHISE CO , LLC,
a Delaware limited liability company

By _____

Print Name _____

Title _____

Date _____

The Lessor hereby consents, agrees with, approves of and joins in with this
CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE

THE "LESSOR"

By _____

Print Name _____

Title _____

Date _____

STATE OF _____)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2015, by _____ the _____ of SBARRO
FRANCHISE CO , LLC, a Delaware limited liability company, on behalf of the company

Notary Public

{SEAL}
My Commission Expires _____

STATE OF _____)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2015, by _____, an individual

Notary Public

{SEAL}
My Commission Expires _____

STATE OF _____)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2015, by _____ the _____ of
_____ a _____, on behalf of the

Notary Public

{SEAL}
My Commission Expires _____

**Exhibit B to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

ASSET SALE AGREEMENT

ASSET SALE AGREEMENT

This Asset Sale Agreement ("Agreement") made this ____ day of _____ 2017, between Sbarro _____, a New York _____ having its principal place of business located at 1328 Dublin Road, Columbus, Ohio 43215 (hereinafter referred to as "Seller"), _____, a _____ having its principal place of business at _____ (hereinafter referred to as "Purchaser"), and _____ (hereinafter together referred to as ("Guarantors"))

WITNESSETH

WHEREAS, Seller is engaged in the business of operating an Italian style restaurant under the name "SBARRO" at the premises located as follows

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(these locations are collectively hereinafter referred to as the "Premises"), and

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to acquire from Seller, all of the assets of the Seller's business limited to those located at the Premises (hereinafter referred to as the "Business"), and

WHEREAS, Guarantors have agreed to guarantee the obligations and representations of Purchaser under this Asset Sale Agreement and related documents

NOW, THEREFORE, and in consideration of the mutual promises, covenants and undertakings herein contained, and for other good and valuable consideration, the parties hereto agree as follows

1 Description of Assets Sold – Seller agrees to sell to the Purchaser and Purchaser agrees to purchase from Seller the following assets of the Business (a) fixtures, furniture, equipment and supplies presently located at the Premises and owned by Seller, and (b) the leasehold improvements presently located at the Premises, if any, all free and clear of any debts, mortgages, security interests or other liens or encumbrances Notwithstanding the foregoing, Purchaser acknowledges that Seller is not selling its property rights in the trade name, "Sbarro" ("Trade Name") Purchaser shall not utilize said Trade Name or any trademark, or other intellectual property rights associated therewith other than at the Premises

2 Purchase Price and Terms – The purchase price agreed to be paid by the Purchaser at Closing is _____ and 00/100 Dollars (\$) and other good and valuable consideration including, but not limited to, the assumption of Seller's obligations under the Leases, as described in Paragraph 5 below ("Purchase Price")

3 Closing – The closing will take place remotely via the exchange of documents and signatures at 5 00pm, Columbus, Ohio time, on _____, 2016, or at such other time and place as Seller and Purchaser mutually agree upon orally or in writing. “Closing” means the settlement of the obligations of Seller and Purchaser to each other under this Agreement. Notwithstanding anything herein to the contrary, in no event shall Closing occur less than fourteen (14) days after all Landlords have executed the Assignments referenced in Section 5 hereof.

4 Adjustments – (a) The parties shall adjust the following as of the date of Closing: (i) rents and additional rents under the leases described below (“Leases”), (ii) security deposit if any under the Leases, and (iii) electricity, gas, fuel, water and any other utility charges relating to the Premises, and (b) any errors or omissions in computing adjustments at Closing shall be corrected. This provision shall survive the Closing. Any deposits which the Seller has with any public utility company and its security deposit under the lease, if any, for the premises shall remain the sole property of the Seller.

5 Lease and Sublease Contingencies – (a) Purchaser and Seller acknowledge that leases for the Premises between various landlords (“Landlords”) and Seller or Seller’s affiliate, (“Tenant”), as “tenant”, exist as follows:

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(b) Purchaser acknowledges that it is familiar with the terms of the Leases and agrees to abide by all of the terms thereunder. Purchaser specifically agrees to complete all remodeling/upgrades required by the leases and to upgrade each location to the new “Pizza-Centric” design within eighteen (18) months from Closing. Both parties indemnify and hold each other harmless from all damages either party sustains, including (i) any loss by Seller of the security deposit, if any, in place with the Landlord to secure tenant’s obligations under the Leases, and (ii) reasonable attorneys’ fees by way of the other party’s breach of the Leases, (c) at Closing, Seller, as assignor, Purchaser, as assignee, and the Landlords, shall enter into an Assignment of Lease Agreement and Assumption of Liability (“Assignment”), the form of which is annexed hereto as Exhibit “A” or a Sublease Agreement (“Sublease”), the form of which is annexed hereto as Exhibit B, as required and appropriate under each Lease. The Assignment or Sublease will be for the balance of the term of the Lease, and shall require Purchaser to make all payments due under the Lease to Landlord or Seller, as appropriate. Accordingly, this Agreement and the obligations of the parties hereunder are expressly contingent upon landlord’s consent to the Assignment or Sublease. In the event Landlord denies the consent as aforesaid, then this Agreement shall be canceled and shall have no further effect, except, thereafter, neither party shall have any claims against the other party. If Landlord shall require Seller to remain liable under the Lease, then Guarantors shall personally guarantee the obligations of Tenant under the lease per a Guaranty to be prepared by Seller. Further, Seller and Purchaser represent that each will use its best efforts to obtain the Landlords consent as provided herein.

6 Inventory - Inventory is defined as food items, beverages, cups, plates, napkins, consumable supplies and other similar items. Inventory does not include any of the items listed in Section 1 above. The value of any inventory present is not included in the Purchase Price, and will be adjusted for at the time of Closing. At Closing, Purchaser will pay the appropriate sales tax due to the State of _____ and any other applicable governmental entities. Seller makes no representations as to the amount or value of inventory that will be at the Premises at time of Closing.

7 Sales Tax - Seller shall be liable for all sales taxes and other charges due after the Closing, in connection with any sales tax audit or any other tax due for any period prior to the Closing. Purchaser shall be liable for all sales taxes and other charges due after Closing in connection with any sales tax audit or any other tax due for any period subsequent to Closing. The parties agree to indemnify and hold one another harmless with respect to any damage, including reasonable attorneys' fees, either may incur or sustain by reason of a party's failure to pay sales tax, or other taxes due, in accordance with the provisions of Paragraphs 6 and 7 hereof.

8 Non-reliance - Purchaser acknowledges that Seller has made no representations or warranties of any kind or nature, other than as expressly set forth in this Agreement or the schedules and/or exhibits attached hereto. No representation has been made as to the gross or net receipts of the Business, or the physical condition of the Premises, chattels, fixtures and/or equipment, it being intended that the Business is being sold and will be delivered in its present physical 'as is' condition. No assurance or guarantee of success is either directly or indirectly given, intended, or implied by Seller.

9 Bill of Sale - At the Closing, Seller shall execute and deliver to Purchaser a Bill of Sale.

10 Seller's Representations - In order to induce Purchaser to enter into this Agreement, Seller hereby represents and warrants to Purchaser that, as of the Closing date, (a) Seller will be the owner of the assets being conveyed and there will be no liens against them, (b) Seller shall pay or adequately provide for payment of any and all taxes, license fees and other charges levied, due, assessed or imposed upon the Business, (c) there are no judgments, suits, governmental proceedings or litigation pending or, to the knowledge of Seller threatened against the Business, or assets of the Business, (d) Seller will not be in the hands of a receiver, nor will any proceedings be pending by or against it in bankruptcy or reorganization in any state or federal court, nor will it have committed an act of bankruptcy, (e) the Lease will not have been mortgaged or otherwise encumbered by Seller and will be in full force and effect, Seller will be in full compliance with all of its terms and conditions and there will be no defaults thereunder, and no brokerage fees will be payable by Purchaser thereunder in connection with an extension and assignment of same, (f) Seller is duly organized and validly existing and in good standing under the laws of the State of New York, (g) Seller has all power to own its properties and to carry on its operations as now conducted by it and as contemplated by this Agreement, and the power and authority to sell and dispose of the assets sold to Purchaser hereunder, (h) all corporate action of Seller necessary to authorize the execution and delivery of this Agreement has been or will be properly taken, (i) upon execution and delivery, this Agreement will constitute the valid and binding agreement of Seller enforceable in accordance with its terms, (j) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will constitute a violation of, be in conflict with, or constitute a default under (i) any term or provision of the _____ Seller, or (ii) any judgment, decree, order, regulation or rule of any court or governmental authority, or any statute or law, (k) to the best of its knowledge, no consent of any federal, state or local authority is

required in connection with the execution and delivery of this Agreement and the performance of the transaction contemplated hereby and, (l) none of the representations and warranties of Seller made in this Agreement contain any untrue statement of material fact or omits to state a material fact necessary in order to make said representations and warranties not misleading

Further, in order to induce Purchaser to enter into this Agreement, Seller hereby warrants and represents to Purchaser that Seller will continue to operate the Business at the Premises from the date hereof through the Closing in the ordinary course of business and in substantially the same manner the Seller has operated the Business heretofore, and (i) will not violate the terms of the Leases, (ii) will perform all contracts executed by it in relation to the Business, (iii) will not move or cause to be moved any assets of the Business to be sold hereunder, except in the ordinary course of business, and (iv) will not enter into material agreements binding Purchaser

All representations of Seller are to survive Closing

11 Purchaser's Representations – Purchaser represents and warrants to Seller that (a) upon execution and delivery, this Agreement will constitute the valid and binding agreement of Purchaser, enforceable in accordance with its terms, (b) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will constitute a violation of, be in conflict with, or constitute a default under (i) any agreement or commitment to which the Purchaser is bound, or (ii) any judgment, decree, order, regulation or rule of any court or governmental authority, or any statute or law, (c) to the best of Purchaser's knowledge, no consent of any federal, state or local authority is required in connection with the execution and delivery of this Agreement and the performance of the transactions contemplated hereby, (d) Purchaser, if a corporation, is duly organized, validly existing and in good standing under the laws of the State of _____, (e) Purchaser has all power to own its properties and carry on its operation as now conducted by it and as contemplated by this Agreement, and the power and authority to purchase the assets hereunder, (f) all action of Purchaser necessary to authorize the execution and delivery of this Agreement has been or will be properly taken, (g) upon execution and delivery, this Agreement will constitute the valid and binding agreement of Purchaser enforceable in accordance with its terms, (h) any license or permit required for the operation of the Business shall be obtained by Purchaser, and its failure to obtain such shall not be deemed an objection to the closing of title (i) none of the representations and warranties of Purchaser made in this Agreement contain any untrue statement of material fact or omits to state any material fact necessary in order to make said representations and warranties not misleading, (j) Purchaser shall do all things necessary to preserve its existence, shall not, nor shall any shareholder or Member thereof, amend, modify or otherwise change its charter so as to conflict with this Paragraph 11 or to impact materially and adversely, (k) in the event Seller remains jointly liable with Purchaser for the performance and obligations of tenant under the Lease, Purchaser will not during the term of the Lease violate the "use" clause of the Lease, or seek to amend or modify the use clause of the Lease without Seller's written consent, and (l) Purchaser agrees to operate the Premises as a Sbarro restaurant pursuant to a franchise agreement and related documents to be executed in connection with this transaction and to pay to Seller or its affiliates all franchise or other fees required in this transaction and pursuant to the franchise agreements, and (m) Purchaser agrees to attend training programs as Seller shall require, and maintain at all times management personnel trained in accordance with Seller's requirements

All representations of Purchaser are to survive Closing

12 Damage or Destroyed Property – If any of the property of the Business shall be substantially damaged or destroyed by fire, casualty or other damage prior to Closing, at Purchaser's option this contract shall be deemed canceled thereafter, the parties shall be released from any further obligation from one to the other hereunder

13 Bulk Sales – (a) Seller represents that there are no creditors whose claims against Seller will affect the assets of this sale, and shall provide an affidavit to this effect upon execution of this Agreement. The parties hereto agree that Seller, at the Closing, shall provide an affidavit, as part of the Bill of Sale, indicating that all assets transferred shall be free and clear of any and all liens, debts and encumbrances. Moreover, the parties hereto will do all that is necessary and required to comply with any applicable Bulk Sales Law or similar laws, however, the parties agree that Seller shall not furnish a list of creditors, nor any notification to creditors in connection with this transaction, (b) in the event any creditor makes claim, demand or suit against Purchaser or against any of the assets subject to this transaction with regard to the activities of Seller prior to Closing (including, without limitation, sales tax) Purchaser shall promptly notify Seller and Seller's attorney. Seller shall thereafter resolve such claim within the term of sixty (60) days. In the event that Purchaser shall become liable to any debt, obligation or tax imposed against Seller and claimed against Purchaser, and provided Purchaser bears no responsibility for same, following final adjudication by a court having competent jurisdiction or in the event that Seller neglects to defend any such action or claim, then, in such event, Seller shall indemnify and hold Purchaser harmless with respect to same, including reasonable attorneys' fees. Seller reserves the right to defend any and all claims and/or actions and Purchaser agrees to fully cooperate in connection therewith.

14 Indemnification by Purchaser – Purchaser hereby agrees to indemnify, defend and hold harmless Seller, its successors and assigns from and against any and all costs, liabilities (including reasonable legal fees) and damages resulting or arising (a) from Purchaser's operation of the Business after Closing, except where such liability or damage is caused by the negligence of Seller, (b) any and all other costs, losses, damages or deficiencies resulting from any (i) misrepresentation or breach by Purchaser of any representation, obligation, or undertaking contained in this Agreement, (ii) failure by Purchaser to perform or otherwise fulfill any undertakings or other agreements or obligations hereunder, (iii) Purchaser's default under the Leases or related Lease documents, and (c) any and all actions, suits, proceedings, claims, liabilities, damages, assessments, judgments, liens, encumbrances, costs and expenses, including reasonable attorneys' fees, incident to any of the foregoing. This Paragraph 14 shall survive Closing.

15 Notices – (a) all notices, demands or requests made pursuant to, under or by virtue of, this Agreement must be in writing and sent by registered or certified mail, return receipt requested, postage pre-paid, addressed as follows: (i) if to Seller, addressed to Seller at 1328 Dublin Road, Columbus, Ohio 43215, Attention: Sbarro General Counsel, (ii) if to Purchaser, addressed to Purchaser at _____, (b) notices or receipts signed by the parties' respective attorneys shall be deemed sufficient within the meaning of this Paragraph 15 without the signature of the parties themselves, (c) notice shall be deemed to have been given on the date of mailing, (d) notices may also be given by Federal Express or similar type courier in which event any such notice shall be deemed to have been given on the date of delivery to the addresses of the party to whom such notice is addressed.

16 Indemnification by Seller – Seller hereby agrees to indemnify, defend and hold harmless Purchaser, its successors and assigns from and against any and all costs, liabilities (including reasonable legal fees) and damages resulting or arising (a) from Seller's operation of the Business prior to Closing, except where such liability or damage is caused by the negligence of the Purchaser, (b) any and all other costs, losses, damages or deficiencies resulting from any (i) misrepresentation or breach by Seller of any representation, obligation, or undertaking contained in this Agreement, (ii) failure by Seller to perform or otherwise fulfill any undertakings or other agreements or obligations hereunder, and (c) any and all actions, suits, proceedings, claims, liabilities, damages, assessments, judgments, liens, encumbrances, costs and expenses, including reasonable attorneys' fees, incident to any of the foregoing. This Paragraph 16 shall survive Closing.

17 Seller's Inability to Convey – Except for Seller's willful default, if Seller is unable to convey the Business in accordance with the terms of this Agreement, this Agreement shall terminate and neither party to this Agreement shall have any further rights or obligations hereunder.

18 Remedies on Default – In the event Purchaser shall default in its obligations to close in accordance with this Agreement, Seller shall have its remedies at law.

19 Merger – All understandings and agreements heretofore had between the parties hereto are merged in this Agreement which alone fully and completely expresses their agreement, and the same is entered into after full investigation, neither party relying upon any statement or representation not embodied or incorporated in this Agreement made by the other.

20 Broker – Purchaser and Seller each represent that it has not dealt with any broker in connection with this transaction and each agrees to indemnify and hold harmless and defend one another with respect to any damages incurred by the other, including reasonable attorney's fees, by reason of a party's breach of this Paragraph 20.

21 Assignment – Except as may be specifically provided hereunder, Purchaser shall not have the right to assign this Agreement or any of its rights hereunder.

22 Choice of Law and Forum – This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio. The Courts of the State of Ohio, County of Franklin shall have exclusive jurisdiction over all claims, proceedings and suits arising out of this Agreement or any future business relationship among the parties.

23 Modification – This Agreement may not be changed or terminated orally, but only by an agreement in writing signed by the parties hereto. Each of the parties hereto authorizes their respective attorneys to agree in writing to any changes and dates and time periods provided for in this Agreement.

24 Waiver – The parties may waive compliance in respect of any of the representations, warranties and agreements of the other set forth in this Agreement, but no such waiver shall be claimed unless it is in writing signed by the respective party.

25 Invalidity – In the event any term, covenant, condition, provision or agreement contained herein is held to be invalid, void or otherwise unenforceable by any court of competent jurisdiction, such holding shall not affect the validity or enforceability of any other term, covenant, condition, provision or agreement contained herein. Any term, covenant, condition, provision or agreement so affected by invalidity, unenforceability or otherwise shall

be replaced by another term, covenant, condition, provision or agreement which is valid and enforceable and which is substantially similar to the affected term, covenant, condition, provision or agreement as mutually agreed by Purchaser and Seller

26 Gender – All personal pronouns used in this Agreement, whether used in the masculine, feminine, neuter gender shall include all other genders, the singular shall include the plural and vice versa

27 Execution – This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original agreement, and all of which shall constitute one agreement by each of the parties hereto to be effective as of the date and yet first above written

28 Miscellaneous – (a) If, pursuant to this Agreement, any date indicated herein falls on an official United States holiday or a Saturday or Sunday, the date so indicated shall mean the next business day following such date. The date of execution of this Agreement shall for all purposes be the date on which this Agreement is fully executed by the last Seller or Purchaser, and (b) except as otherwise specifically set forth herein, the stipulations herein shall inure to the benefit of and shall be binding upon the heirs, executives, administrators, successors and assigns of the respective parties

29 Guaranty – Guarantors agree to execute the Guaranty attached as Exhibit C, at the same time as Purchaser's execution of this Agreement

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first written above

**SELLER
SBARRO**

By _____

Name _____

Title _____

Date _____

PURCHASER

By _____

Name _____

Title _____

Date _____

GUARANTORS

Date

Date

**Exhibit C to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

SUBLEASE AGREEMENT

SUBLEASE AGREEMENT

This Sublease Agreement ('Sublease') dated as of the ____ day of _____, 20__ by and between _____, a _____ (Sublessor) and _____ a _____ (Sublessee), collectively hereinafter referred to as the Parties

WITNESSETH

WHEREAS, Sublessor (as "Tenant ") has entered into a lease dated _____ with _____ as Landlord (Landlord) for premises located at _____ ('Premises ') That lease being referred to herein as the Lease a copy of which is annexed hereto as Exhibit A , and

WHEREAS, Sublessor desires to sublease to Sublessee the Premises and Sublessee desires to sublease from Sublessor the Premises and

NOW THEREFORE, in consideration of the mutual rights responsibilities and covenants hereinafter set forth and upon the terms covenants and conditions hereinafter set forth herein the Parties agree as follows

ARTICLE 1 **DEMISE, DELIVERY OF PREMISES**

1 1 Upon and subject to the terms covenants and conditions hereinafter set forth and for the Term hereafter described, Sublessor hereby demises and subleases to Sublessee and Sublessee hereby takes and subleases from Sublessor the Premises

1 2 Subject to obtaining Landlord's consent if required under the Lease, Sublessor shall deliver physical possession of the Premises to Sublessee no later than the Commencement Date of this Sublease as per Article 3 herein

1 3 Sublessor has neither made nor does hereby make any representations or warranties, express or implied, with respect to the condition of the Premises or the fitness of the Premises for any particular use or with respect to zoning or any licenses permits certificates or similar governmental approvals required for Sublessee's use of the Premises

1 4 The Premises are being tendered AS IS inclusive of all furniture, fixtures machinery and equipment located therein as of the date hereof (the Personalty) All of the Personalty is being conveyed to Sublessee pursuant to this Sublease and all of the Personalty and any replacement of such property during the term of this Sublease shall be subject to Sublessor's lien securing compliance with the terms of this Sublease Sublessee shall execute (or permit Sublessor) and cause to be filed where appropriate a Security Agreement and UCC-1 Financing Statements securing Sublessor's interest in the Personalty and Sublessor's reversion rights in this Sublease in the event of an uncured default All Personalty shall be subject to recapture by Sublessor in the event of Sublessee's default under this Sublease and termination of Sublessee's occupancy of the Premises as per the terms of Article 14 4 herein

1 5 The terms of the Lease to the extent not inconsistent with the terms of this Sublease are incorporated into this Sublease by reference as if stated in full herein Sublessor hereunder shall be entitled to enforce against Sublessee hereunder all of the terms and provisions of the Lease and Sublessee must comply with all obligations of the Lease, as if Sublessee were the tenant thereunder and Sublessor was the lessor thereunder

1 6 Sublessor covenants that during the Term hereof as defined below and provided that Sublessor has performed and observed all the covenants and conditions on its part to be performed and observed under this Sublease and the Lease Sublessee's quiet and peaceful enjoyment and possession of the Premises shall not be disturbed by Sublessor or persons claiming by through or under Sublessor

ARTICLE 2
TERM

2.1 Upon and subject to the terms, covenants and conditions hereinafter set forth, Sublessee shall have and hold the Premises for a term commencing upon the Commencement Date as defined in Article 3 herein below and expiring on the last day of the initial term of the Lease unless sooner terminated as per the terms of the Lease (the "Term").

2.2 The Parties acknowledge that the Term of the Lease may be extended by Sublessor pursuant to the terms of the Lease. Upon such event and at Sublessor's option, the Term of this Sublease shall terminate.

ARTICLE 3
COMMENCEMENT DATE

Contingent upon obtaining Landlord's consent to this Sublease if required under the Lease, this Sublease shall be effective upon the Commencement Date. The Commencement Date of this Sublease shall be _____.

ARTICLE 4
SUBJECT TO LEASE

4.1 Anything in any other article of this Sublease to the contrary notwithstanding, it is expressly understood and agreed by and between Sublessor and Sublessee that this Sublease is subject and subordinate to the Lease; that no right, power or privilege granted to Sublessee hereunder may be exercised or enjoyed by Sublessee and no term, covenant or condition of this Sublease benefiting Sublessee or binding Sublessor shall be operative if and to the extent that such exercise, enjoyment or operation would not be permitted by or would violate or be in conflict with any term, covenant or condition of the Lease, and that, in the event of the expiration or the termination of the Lease for any reason whatsoever, this Sublease shall automatically terminate on the date of the expiration or termination of the Lease.

4.2 Sublessee covenants and agrees that Sublessee, its agents, contractors, sublessees, licensees, concessionaires and invitees will not knowingly or negligently violate or breach any of the terms, covenants or conditions of the Lease and that Sublessee, its agents, contractors, sublessees, licensees, concessionaires and invitees will not do or permit anything which would violate, breach or be contrary to the Lease or cause the Lease to be terminated or forfeited. Sublessee shall protect, indemnify, save harmless and, at Sublessor's option, defend Sublessor from and against all liabilities, obligations, claims, damages, penalties, causes of action, judgments, costs and expenses (including without limitation, attorneys' fees and expenses) imposed upon or incurred by or assessed against Sublessor by reason of any violation of this paragraph by Sublessee or breach of any of the terms of this Sublease or the Lease by Sublessee.

4.3 Sublessor represents and warrants that Sublessor has a good leasehold estate in the Premises under and by virtue of the Lease, and that Sublessor has the full right and lawful authority to enter into this Sublease subject to Landlord's consent.

4.4 Sublessee acknowledges that it has received and reviewed the Lease and is fully familiar with the terms and conditions thereof, specifically as to Base Rent and Additional Rents due thereunder as well as the expiration date of the Lease. Sublessee specifically agrees to comply with and fully perform all the requirements and obligations of Sublessor under the Lease as applicable to the Premises.

4.5 Sublessor represents and warrants that to the best of its knowledge as of the date hereof: (i) the Lease is in full force and effect; (ii) Sublessor is not in default beyond any applicable notice and cure periods under the Lease; and (iii) Sublessor has not received any notice of default from the Landlord which notice has not been cured by Sublessor.

4 6 The Parties agree to promptly give the other copies of (i) all default notices, and (ii) other notices received from the Landlord under the Lease which relate to matters which have an effect on the Parties rights or obligations under this Sublease

4 7 With respect to all obligations, agreements and services to be performed or furnished by the Landlord under the Lease, Sublessee shall look solely to the Landlord under the Lease for the performance thereof, and no failure on the part of the Landlord under the Lease to perform such obligations agreements or services shall constitute a breach of the obligations of Sublessor under this Sublease or provide a basis or grounds for Sublessee not to perform any of its obligations under this Sublease or the Lease Sublessor expressly grants to Sublessee all of Sublessor's rights and remedies under the Lease to enforce in its own name or as Sublessor's agent if necessary at Sublessee's sole cost and expense against the Landlord under the Lease the full compliance by the Landlord under the Lease of all its obligations thereunder to the extent applicable to the Premises

4 8 Sublessor may not pledge use as collateral or hypothecate this Lease in any manner or assign same for purpose of obtaining financing Any violation of this provision shall be a default under the terms of this Sublease

ARTICLE 5

FIXED, ADDITIONAL AND PERCENTAGE RENT

5 1 Sublessee covenants to pay to Landlord all base and additional rents (the "Rents") as provided for by the Lease without notice or demand and without deduction or offset of any amount for any reason whatsoever All rental amounts to be paid in amounts as may from time to time be increased by Landlord pursuant to the Lease

5 2 Base Rent Sublessee shall pay the base rent (Base Rent) required to be paid under the Lease to Landlord each month prior to the respective due dates set forth in the Lease Rents shall be sent to Landlord's address as reflected in the Lease or such other place as Landlord may hereafter specify, without any right of setoff or deduction, and without any prior notice and demand for each month during the term of this Sublease If the Commencement Date is other than the first day of the month the amount of Base Rent payable on the Commencement Date shall be one-thirtieth (1 /30th) of the monthly Base Rent for each day prior to the first day of the next month and if the term of this Sublease expires other than on the last day of the month the amount of the final installment of Base Rent shall be one-thirtieth (1/30th) of the monthly Base Rent for each day then remaining in the Sublease Term

5 3 Additional Rent In addition to the Base Rent set forth herein Sublessee shall pay as additional rent during the Term, any and all sums and charges required to be paid by Sublessor pursuant to the Lease whether designated as Additional Rent or not, including without limitation all common area charges, rent taxes and insurance charges, late fees utility costs Base Rent increases and maintenance fees (collectively, Additional Rent) Such sums and charges shall be collectable when due as Additional Rent as provided in the Lease and shall be paid to Landlord prior to any time period provided in the Lease and shall be subject to all provisions of this Sublease and Lease and of law as to default in the payment of rent

5 4 At Sublessor's option Sublessor may without waiving any rights under this Sublease, direct Sublessee to make payments due under paragraphs 5 1, 5 2 and 5 3 hereof directly to Sublessee five (5) days prior to their respective due dates under the Lease, so that Sublessee can timely pay same to Landlord

ARTICLE 6

USE

6 1 Use Sublessee must comply with the Use clause as contained in Paragraph _____ of the Lease

6 2 Compliance with Law Sublessee shall comply with and observe all federal state county, city village and other laws, statutes rules, orders regulations and ordinances affecting or related to the Premises, including the use thereof under the Lease and the improvements thereon or the occupancy

operation or use thereof, and with all rules orders and regulations of all fire departments bureaus or other similar organizations for prevention of fire or correction of hazardous conditions Sublessee shall comply with the requirements of all policies of public liability, fire and other insurance at any time in force with respect to the Premises

ARTICLE 7 **UTILITIES**

7.1 Sublessee at its sole cost and expense shall arrange for its own gas electricity water, and other utilities and shall pay when billed, for all such services used in or about the Premises during the Term of this Sublease

7.2 Sublessor shall not be liable in damages or otherwise if any utility service or other service to the Premises shall be interrupted or impaired Sublessee agrees that Sublessor shall not be liable for any loss or damage to Sublessee, or any of its merchandise or property caused by sewerage water gas electricity, steam wind or storm, excluding Sublessor's gross negligence nor shall any such events excuse Sublessee's performance under the terms of this Sublease or the Lease

ARTICLE 8 **CARE OF THE PREMISES, ALTERATIONS,** **SIGNS**

8.1 All maintenance repairs upkeep replacements, cleaning and renovating of the Premises as required by the Lease shall be the responsibility of the Sublessee and should be carried out in accordance with the obligations as determined by the Lease

8.2 With regard to alterations improvements or additions to the Premises which Sublessee may wish to make from time to time during the Term of this Sublease, Sublessee shall be permitted to make all such non-structural non-storefront alterations of less than five thousand dollars (\$5 000) without Sublessor's prior consent provided Landlord shall approve of same and provided any such alterations improvements or additions shall be otherwise constructed in compliance with the terms of the Lease All structural alterations and/or non-structural alterations to be installed at a cost exceeding five thousand dollars (\$5 000) shall require Sublessor's and Landlord's prior written consent

8.3 Sublessee shall be liable to Sublessor (payable to Landlord as Additional Rent hereunder) for the cost of repair for any damage to any portion of the Premises, or shopping center of which the Premises is a part, caused by (i) Sublessee its agents employees or contractor's negligence or (ii) bringing onto the Premises or shopping center any property for Sublessee's use, or (iii) associated with Sublessee's breach of its repair obligations under this Sublease

ARTICLE 9 **INSURANCE**

9.1 Throughout the Term of this Sublease Sublessee agrees to comply with all the insurance requirements and obligations of the tenant under the Lease as applicable to the Premises In addition Sublessee shall carry products liability/wrongful death coverage, naming Sublessor as an additional insured Sublessee shall promptly furnish to Sublessor, Landlord and any mortgagee designated by Landlord certificates which evidence that such insurance is in effect Sublessor and the Landlord shall be named as additional insureds under the insurance policies required to be maintained by Sublessee hereunder

ARTICLE 10 **MUTUAL INDEMNITY**

10.1 Sublessee shall protect indemnify save harmless and defend Sublessor from and against all liabilities obligations claims, damages penalties, costs and expenses of every kind and nature (including without limitation reasonable attorneys fees) imposed upon or incurred by or asserted against Sublessor by reason of (i) any accident or injury to or death of persons or loss of or damage to property occurring in or about the Premises or (ii) any failure of Sublessee to perform or comply with any

of the terms, covenants or obligations on its part to be kept observed performed or complied with under this Sublease or the Lease or (iii) any negligence of Sublessee

10.2 Sublessor shall protect, indemnify, save harmless and defend Sublessee from and against all liabilities, obligations, claims, damages, penalties, costs and expenses of every kind and nature (including without limitation reasonable attorneys' fees) imposed upon or incurred by or asserted against Sublessee by reason of (i) any failure of Sublessor to perform or comply with any of the terms, covenants or obligations on its part to be kept observed, performed or complied with under this Sublease or (ii) any gross negligence of Sublessor.

ARTICLE 11 **ASSIGNMENT AND** **SUBLETTING**

Restriction Sublessee agrees not to sell, assign, mortgage, pledge, franchise or in any manner transfer this Sublease or estate or interest hereunder, not to sublet the Premises or any part or parts thereof, and not to permit any licensee or concessionaire therein without the written consent of (i) Sublessor and (ii) the Landlord (to the extent required by the terms of the Lease). A transfer in any manner of (i) fifty percent (50%) or more of the ownership and/or beneficial interest of Sublessee's stock or (ii) management control (if less than fifty percent (50%)) shall be deemed a transfer or assignment requiring Sublessor's consent. Consent by Sublessor to one assignment of this Sublease to one subletting, sale, mortgage, pledge or other transfer or to one license or concession shall not be a waiver of Sublessor's rights under this Article as to any subsequent similar action, nor shall any such consent relieve Sublessee from liability for payment of Rents or other sums herein provided or from the obligation to keep and be bound by the terms, conditions and covenants of this Sublease.

ARTICLE 12 **DAMAGE CLAUSE**

12.1 In the event of damage to or destruction of the Premises by fire or other casualty, Sublessee at its sole expense shall promptly restore the Premises as nearly as possible to its condition prior to such damage or destruction. All insurance proceeds related to such damage or destruction shall be applied by Sublessee to the payment of such restoration, as such restoration progresses. If the proceeds of insurance are insufficient to pay the full cost of repair or restoration, Sublessee shall pay the deficiency.

12.2 Except as provided herein, if the Premises or any part thereof, or the furniture, furnishings, or fixtures therein shall be destroyed or damaged, such fact shall not affect the provisions of this Sublease, any law, rule, or regulation to the contrary notwithstanding, and Sublessee's obligations under this Sublease, including the payment of Rent, shall continue without abatement of any kind.

ARTICLE 13 **SURRENDER OF PREMISES**

This Sublease shall terminate at the end of the Lease term or any extension thereof without the necessity of any notice from either Sublessor or Landlord to terminate the same, and Sublessee hereby waives any requirement of notice to vacate the Premises at the expiration of the Term of this Sublease. Upon the expiration of the Sublease, either upon the expiration of the term or otherwise, Sublessee shall surrender the Premises in the condition required under the Lease and shall at its sole cost and expense remove any items of trade dress.

ARTICLE 14 **DEFAULT**

14.1 Any of the following occurrences or acts shall constitute an Event of Default under this Sublease:

- (a) if Sublessee shall fail to make any payment of Base Rent or Additional Rent herein required to be paid by Sublessee within any curative period provided for herein.

- (b) if Sublessee shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any present or future federal bankruptcy act or under any similar federal or state law or shall be adjudicated bankrupt or insolvent or shall make an assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due or if a petition or answer proposing the adjudication of Sublessee as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court, and same shall not be dismissed within 30 days of the filing thereof,
- (c) if a receiver trustee or liquidator of Sublessee of all or substantially all of the assets of Sublessee or of Sublessee's interest in the Premises or part thereof shall be appointed in any proceedings
- (d) if an act or omission of Sublessee its agents employees, contractors, sublessees, licensees concessionaires or invitees has caused a violation or breach of any of the terms covenants or conditions contained in the Lease and the Landlord has given Sublessee or Sublessor a notice of default therefor and (i) Sublessee following notice thereof from Sublessor or the Landlord, has not commenced to cure such default promptly, under the circumstances or (ii) thereafter Sublessee fails to diligently proceed to cure such default or (iii) Sublessee fails to complete the cure of such default prior to the expiration of the applicable curative period allowed under the Lease to cure such default
- (e) all other conduct action or inaction which if committed by Tenant under the Lease would constitute a default or
- (f) there is an uncured default by Sublessee of any other agreement between the parties, or of that certain Franchise Agreement between Sublessee and Sublessor dated on or about the date of this Sublease

14.2 Except to the extent inconsistent under the terms of the Lease whereupon the Lease provisions shall apply Sublessor shall give Sublessee 30 days written notice specifying with reasonable detail the occurrence of a non-monetary default and the steps needed to be taken by Sublessee to cure the default and Sublessee shall have the period of the thirty-day notice in which to remedy the default Sublessor agrees that in the event of a monetary default Sublessee shall receive written notice specifying with reasonable detail the amount of such default and Sublessee shall have a period of four (4) days from the date of the delivery of the notice in which to cure the default Upon the curing of the default by the Sublessee the Sublease will remain in full force and effect

14.3 In the event of any termination of this Sublease as provided in this Article or as permitted by law, Sublessee shall quit and surrender the Premises to Sublessor, and Sublessor may without further notice enter upon re-enter upon possess and repossess the same by summary ejectment process and again have repossess and enjoy the same as if this Sublease had not been made and in any such event, neither Sublessee nor any person claiming through or under Sublessee by virtue of any law or any order of any court shall be entitled to possession or to remain in possession of the Premises but shall forthwith quit and surrender the Premises

14.4 In the event of such termination of the Lease and possession of the Premises by Sublessor pursuant to Section 14.3 above or otherwise, all furniture fixtures machinery equipment and inventory located within the Premises shall become the property of Sublessor and Sublessee shall have no interest in said property or claim compensation for Sublessor's possession of same

14.5 If Sublessor shall re-enter and obtain possession of the Premises following an Event of Default not cured within an appropriate cure period whether or not this Sublease has been terminated as a result thereof, Sublessor may do the following

- (i) Declare the Rent for the balance of the term of this Sublease immediately due and payable and collect the same by distress or otherwise, and/or

- (ii) Terminate this Sublease
- (iii) Repossess the Premises and with or without terminating, relet the same at such amount as Sublessor deems reasonable, and if the amount for which the Premises is relet is less than Sublessee's Rent and all other obligations of Sublessee to Sublessor hereunder, Sublessee shall immediately pay the difference on demand to Sublessor, but if in excess of Sublessee's Rent and all other obligations of Sublessee hereunder the entire amount obtained from such reletting shall belong to Sublessor, free of any claim of Sublessee thereto and/or
- (iv) Avail itself of all other remedies and claim such damages as Landlord has under the Lease or at law or equity

To the extent not recovered through excess Rent derived from reletting all expenses of Sublessor in repairing the Premises for reletting together with leasing fees shall be charged to and be a liability of Sublessee

14.6 If Sublessee at any time fails to pay any Base Rent, Additional Rent, taxes assessments liens or any other amounts due under the Lease or Sublease or fails to make any payment or perform any act required by this Sublease or the Lease Sublessor without waiving or releasing Sublessee from any obligation or default under this Sublease, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of Sublessee after notice to Sublessee. All sums due or so paid by Sublessor and all costs and expenses so incurred shall accrue interest at the greater of (i) two percent (2%) over the amount Landlord can charge Tenant for such failure to pay under the Lease or (ii) the rate of ten Ohio. Such sums and any accumulated interest shall constitute Additional Rent payable by Sublessee under this Sublease and shall be paid by Sublessee to Sublessor upon demand.

ARTICLE 15 **MISCELLANEOUS**

15.1 Applicable Law, Severability This Sublease shall be construed under the laws of the State of Ohio. If any provision of this Sublease, or portion thereof or the application thereof to any person or circumstance shall to any extent, be invalid or unenforceable the remainder of this Sublease shall not be affected thereby and each provision of this Sublease shall be valid and enforceable to the fullest extent permitted by law.

15.2 No Partnership Any intention to create a joint venture, partnership or agency relation between Sublessor and Sublessee is hereby expressly disclaimed.

15.3 Successors This Sublease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Sublessee, its successors and assigns shall be binding upon Sublessor, its successors and assigns, and shall inure to the benefit of Sublessor and only such assigns of Sublessee to whom this Sublease has been assigned by Sublessee pursuant to the terms herein.

15.4 Notice Any notice, request or demand permitted or required to be given by the terms and provisions of this Sublease, or by any law or governmental regulation either by Sublessor to Sublessee or by Sublessee to Sublessor shall be in writing. Unless otherwise required by such law or regulation such notice request or demand shall be given, and shall be deemed to have been served and given when Sublessor or Sublessee, as the case may be shall have received such notice request or demand if delivered personally or by courier or when such notice is received or refused when mailed by United States Postal Service Certified Mail, return receipt requested postage paid addressed to Sublessor or Sublessee as the case may be, at the following addresses is first received or refused.

If to Sublessor

[SBARRO LLC or an Affiliate, as applicable]
1328 Dublin Road
Columbus OH 43215
ATTN: President

Copy to

MARK S INZETTA
1328 Dublin Road
Columbus Ohio 43215

If to Sublessee

ATTN _____

Either party may by notice as aforesaid designate a different address or addresses for notices requests or demands. Notice to Sublessee shall be effective upon its receipt or refusal by addressee at Sublessee's notice address given above. Notice to Sublessee's counsel shall not constitute notice to Sublessee.

15.5 Costs In the event Sublessor or Sublessee shall bring any action or proceeding for damages for any alleged breach of any provision of this Sublease to recover rents or to enforce, protect or establish any right or remedy, the prevailing party shall be entitled to recover as part of, or incident to such action or proceeding, all reasonable attorneys' fees and other costs actually incurred in the preparation and processing of such action or proceeding.

15.6 Capitalization Terms capitalized herein if not otherwise defined herein shall have the meaning assigned to that term in the Lease.

15.7 Sublessor covenants and agrees that in any action or proceeding brought on under or by virtue of this Sublease may be instituted in the state in which the Premises are located and Sublessor shall, and does hereby waive trial by jury and the right to assert any counterclaims or offsets against Sublessor or Landlord.

15.8 Notwithstanding anything contained in the Lease or this Sublease to the contrary, Sublessor is not assigning and is specifically retaining any and all rights it may have to any Rent credit construction and or relocation allowance that Sublessor was entitled which accrued and or was contracted for prior to the Commencement Date of this Sublease.

IN WITNESS WHEREOF Sublessor and Sublessee have caused this Sublease to be executed as of the day and year first above written.

SUBLESSOR

By _____
Name _____
Title _____

SUBLESSEE

By _____
Name _____
Title _____

EXHIBIT A TO SUBLEASE AGREEMENT
LEASE AGREEMENT

**Exhibit D to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

**CONFIDENTIALITY AGREEMENT FOR DISCLOSURE OF MANUALS
SBARRO FRANCHISE CO , LLC**

CONFIDENTIALITY AGREEMENT FOR DISCLOSURE OF MANUALS SBARRO FRANCHISE CO , LLC

In consideration of the willingness of Sbarro's Franchise Co , LLC ("Sbarro's") to permit me to review Sbarro's Confidential Manuals ("Manuals") before entering into a Franchise Agreement, the person(s) signing below ("Prospective Franchisee") agree, individually and as owner(s), officer(s), director(s), manager(s) or partner(s) of any corporation, limited liability company or partnership that may enter into an agreement with Sbarro's, as follows

1 **Definition** As used in this Agreement, the term "Confidential Information" means all information contained in the Manuals and all other information whether or not in written form or designated as confidential relating to Sbarro's disclosed Prospective Franchisee except information which is now or hereafter becomes generally known (other than by unauthorized disclosure, whether deliberate or inadvertent, by Prospective Franchisee or by any other person, firm or corporation with which Prospective Franchisee is affiliated), information which was in Prospective Franchisee's possession prior to Prospective Franchisee's receipt of the Manuals, and information which comes into Prospective Franchisee's possession after the date of this Agreement from a source not under an obligation of secrecy to Sbarro's

2 **Non-Use and Non-Disclosure** Prospective Franchisee may use the Confidential Information solely for purposes of evaluating whether or not to pursue a franchise relationship with Sbarro's Except as expressly authorized by Sbarro's in writing, Prospective Franchisee agrees to maintain all Confidential Information in strict confidence and not to use, or permit others to use, Confidential Information for any purpose other than evaluation of a possible franchise relationship Prospective Franchisee shall not disclose any Confidential Information to anyone other than Prospective Franchisee's employees, and/or third parties authorized by Sbarro's to receive Confidential information, each of whom (a) has a reasonable need to know such Confidential Information, (b) has been advised of the confidential nature of the Confidential Information, and (c) if requested by Sbarro's, has signed an agreement, in a form satisfactory to Sbarro, obligating the employee or third party to comply with all the provisions of this Agreement

3 **Restrictions on Copying** Prospective Franchisee shall not make any copies of any Confidential Information Prospective Franchisee agrees not to remove, overprint, or deface any notice of copyright, trademark, logo, or other notices of ownership from any of the Confidential Information

4 **Obligations Upon Termination** If Prospective Franchisee does not enter into a franchise relationship with Sbarro's, Prospective Franchisee shall (a) immediately cease to use the Confidential Information, (b) immediately return to Sbarro's the Confidential Information and all copies thereof (whether or not such copies were authorized) and cause any third party to whom disclosure was made to do the same, and (c) at the request of Sbarro's, immediately certify in writing that Prospective Franchisee has complied with subsections (a) and (b) above

5 **Ownership of Materials** Prospective Franchisee acknowledges that all Confidential Information, and all copies thereof (whether or not such copies were authorized), shall remain the exclusive property Sbarro's and/or its affiliates

Prospective Franchisee shall not acquire any rights in or to such materials pursuant to this Agreement

6 Term of Obligation If Prospective Franchisee does not enter into a franchise relationship with Sbarro's, Prospective Franchisee's obligations of non-use and non-disclosure with respect to particular items of Confidential Information will remain in effect for so long as Prospective Franchisee possesses, in any manner or form, Confidential Information

7 Notice of Loss of Confidentiality Prospective Franchisee shall immediately notify Sbarro's of any information that comes to its attention which indicates that there has been or may be a loss of confidentiality of any of the Confidential Information or breach of this Agreement

8 Governing Law and Jurisdiction This Agreement and any claim or controversy arising out of or relating to this Agreement or rights and obligations of the parties under this Agreement shall be governed by and construed in accordance with the laws of the State of Ohio without regard to conflicts of laws principles. If any provision of this Agreement is deemed invalid, unreasonable or unenforceable by a court of competent jurisdiction, then the remaining provisions will not be affected, and the invalid provision may be enforced to the extent deemed reasonable by the court. Any claim that either party may have against the other which is not related to this Agreement will be a separate matter and will not be a defense against enforcement of this Agreement or justify any violation of this Agreement. The parties agree that, to the extent any disputes cannot be resolved directly between them, Prospective Franchisee shall file suit against Sbarro's only in the federal or state court having jurisdiction where Sbarro's principal offices are located at the time suit is filed. Sbarro's may file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed or in the jurisdiction where Prospective Franchisee resides or does business or where the claim arose. Prospective Franchisee consents to the personal jurisdiction of those courts over Prospective Franchisee and to venue in those courts.

9 Injunctive Relief Prospective Franchisee acknowledges and agrees that (a) a breach of this Agreement by Prospective Franchisee, its employees or third parties to whom Prospective Franchisee has disclosed the Confidential Information would result in irreparable harm to Sbarro's, the extent of which would be difficult to ascertain, (b) monetary damages would be an inadequate remedy for such a breach, and (c) Sbarro's shall be entitled to specific performance and injunctive or other equitable relief as a court may deem appropriate in the event of such a breach without posting a bond or other security.

10 Indemnification and Attorneys' Fees Prospective Franchisee agrees to indemnify, defend and hold harmless Sbarro's and its subsidiaries, affiliates, successors and assigns and their past and present directors, officers, employees, agents and representatives from any and all claims, demands and damages (including reasonable attorneys' fees) incurred in connection with or resulting from any breach of any obligation under this Agreement by Prospective Franchisee or Prospective Franchisee's employees or agents. If Sbarro's institutes any proceedings to enforce its rights, or the obligations of Prospective Franchisee, under this Agreement, the prevailing party in such proceeding shall be entitled to recover its reasonable costs and expenses (including, reasonable attorneys' fees and expenses) incurred in connection with any such proceeding.

11 **Benefit of Agreement** Prospective Franchisee agrees and acknowledges that Sbarro's and its affiliates shall be the beneficiary of Prospective Franchisee's obligations under this Agreement and Sbarro's and its affiliates shall be entitled to all rights and remedies conferred upon Sbarro's hereunder

Signature

Signature

Print Name

Print Name

Date _____

Date _____

**Exhibit E to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

CONFIDENTIALITY AGREEMENT – EMPLOYEE

CONFIDENTIALITY AGREEMENT – EMPLOYEE

WHEREAS, the undersigned (the “**Undersigned**”) is a current or prospective Manager or other employee of one or more franchisees (each a “**Related Party**”) of Sbarro Franchise Co., LLC, a Delaware limited liability company (the “**Company**”),

WHEREAS, the Undersigned has been or may be given access to certain training, and confidential and proprietary information of the Company and/or its Related Parties previously not available to the Undersigned,

WHEREAS, the Related Party is only willing to commence or continue its relationship with Undersigned in the event Undersigned enters into this Agreement, and

WHEREAS, the Related Party signatory hereto has entered into this Agreement with the Undersigned in order to ensure the confidentiality of Proprietary Information (defined below) in accordance with the terms of this Agreement, to ensure that the Undersigned does not utilize such information to compete with the Company or unfairly disadvantage the Company, and/or to protect the investment made by the Related Party signatory hereto in the training and instruction of its employees

NOW THEREFORE, the Undersigned hereby agrees as follows

1 **Recitals** The recitals set forth above are incorporated herein by this reference and shall be part of this Agreement

2 **Proprietary Information** As used in this Agreement, the term “**Proprietary Information**” shall mean the business concepts, information about types and suppliers of equipment, operating techniques, menu and ingredient information, marketing methods, financial information, demographic and trade area information, prospective site locations, market penetration techniques, plans, schedules, customer profiles, preferences, statistics, franchisee composition, territories, and development plans, and all related trade secrets or confidential or proprietary information treated as such by the Company and/or the Related Party signatory hereto, as the case may be, whether by course of conduct by letter or report, by the inclusion of such information in the Company’s operations manuals or similar documents, or by the use of any appropriate proprietary stamp or legend designating such information or item to be confidential or proprietary, by any communication to such effect made prior to or at the time any such Proprietary Information is disclosed to the Undersigned, or otherwise

3 **Use and Disclosure of Proprietary Information** The Undersigned shall hold all Proprietary Information in strict confidence and shall use such Proprietary Information only for the benefit of the Company and/or the Related Party. The Undersigned shall not disclose Proprietary Information to any other person or entity. The obligations hereunder to maintain the confidentiality of Proprietary Information shall not expire. However, these obligations shall not apply to any Proprietary Information received from the Company and/or the Related Party signatory hereto, as the case may be, which (a) is disclosed in a printed publication available to the public, or is otherwise in the public domain through no act of the Undersigned or any other person or entity which has received such Proprietary Information from or through the Undersigned, (b) is approved for release by written authorization of an officer of the Company, or (c) is required to be disclosed by property order of a court of applicable jurisdiction after adequate notice to the Company and/or the Related Party signatory hereto, as the case may be, sufficient to permit them to seek a protective order therefor, the imposition of which protective order the Undersigned agrees to approve and support

4 **Return of Documents** The Undersigned shall, upon the request of the Company and/or the Related Party signatory hereto, as the case may be, immediately return all documents and other tangible manifestations of Proprietary Information received from the Company and/or the Related Party signatory hereto, as the case may be, including all copies and reproductions thereof

5 **No Waiver** No delays or omission by the Company or the Related Party signatory hereto in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company and/or the Related Party signatory hereto, as the case may be, on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion

6 **Equitable Relief** The undersigned acknowledges that the Company and/or the Related Party signatory hereto, as the case may be, will be irreparably harmed by any breach hereof, that monetary damages would be inadequate and that the Company and/or the Related Party signatory hereto shall have the right to have an injunction or other equitable remedies imposed in relief of or to prevent or restrain, such breach. The Undersigned agrees that the Company and/or the Related Party signatory hereto shall also be entitled to any and all other relief available under law or equity for such breach

7 **Miscellaneous**

(a) This Agreement shall not be construed to grant to the Undersigned any patents, licenses, or similar rights to Proprietary Information disclosed to the Undersigned hereunder, all of which rights and interests shall be deemed to reside or be vested in the Company

(b) This Agreement does not supersede, but rather is in addition to and cumulative with, all prior agreements, written or oral, between the parties relating to the subject matter of this Agreement. This Agreement may not be modified, changed or discharged, in whole or in part, except by an Agreement in writing signed by the parties

(c) This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns

(d) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement

(e) This Agreement shall be construed and interpreted in accordance with the laws of the State of Ohio, without regard to its conflicts of laws rules

EXECUTED as of the _____ day of _____, 20__

Sbarro Franchise Co , LLC,
a Delaware limited liability company

Related Party

By _____
Title _____

By _____
Title _____

UNDERSIGNED

[Signature]

[Print Name]

**Exhibit F to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

STANDARD FRANCHISE APPLICATION

STANDARD FRANCHISE APPLICATION



FRANCHISE APPLICATION

Rev 1/2012

The enclosed confidential information is the basis for my Franchise Application. The submission of this application does not obligate Sbarro Franchise Co, LLC ("Sbarro") or the undersigned in any way. If applicant is a partnership, regardless if same is formed, separate applications will be completed for each member. Only fully completed applications, including financial information, will be considered.

PERSONAL AND COMPANY INFORMATION

Date (month /day /year)

First Name

Last Name

Company Name

Job Title

Street Address

City / Region

Country

Zip Code

Business Telephone No

Mobile Telephone No

E mail Address

RESTAURANT EXPERIENCE

Please list all Restaurant Experience

Restaurant Brand	QSR/Casual Dining or Fine Dining	Owned	Operated	Current
		☐	☐	☐
		☐	☐	☐
		☐	☐	☐
		☐	☐	☐
		☐	☐	☐

Maximum number of restaurants operated simultaneously

☐ 1 5

☐ 11 25

☐ 26 50

☐ 51 100

☐ 100 or more

REAL ESTATE AND BUSINESS EXPERIENCE

Describe any past retail leasing or real estate development experience

Do you currently own or operate any food courts or venues such as arenas, amusements parks, entertainment complexes, travel plazas

Do you now, or have you ever owned or had financial interest in a restaurant operation that has not been outlined on the prior section? If yes, please state details

Do you have a site in mind for a Sbarro franchise unit? If yes, include the country name, and the type of locations (i.e. mall food court) and projected opening date for first unit

We are interested in knowing what may have prompted your interest in Sbarro. Please share with us if you were incited by a publication, expo, interest site, etc., or if you are familiar with Sbarro from personal experiences? Please complete the Owner's Statement attached as Exhibit "A" to this Franchise Application

FINANCIAL DATA (in U S Dollars)

**ALTHOUGH YOU WILL BE SUBMITTING ACCOUNTANT PREPARED FINANCIALS,
WE DO REQUIRE YOU TO COMPLETE THIS SECTION**

ASSETS

Cash on hand and in banks	\$
Stocks and Bonds (can liquidate within 90 days)	\$
Stocks and Bonds (cannot liquidate within 90 days)	\$
Accounts/Notes Receivable	\$
Real Estate Investments	\$
Net Value of Business	\$
Life Insurance – Cash Value	\$
Other Assets (itemize)	\$
	\$
TOTAL ASSETS	\$

LIABILITIES

Bank Loan	\$
Bonds/Stocks	\$
Mortgages	\$
Accounts Payables	\$
Taxes Payable	\$
Other Liabilities (itemize)	\$
	\$
TOTAL LIABILITIES	\$

SOURCE OF INCOME

Salary	\$
Bonuses and Commissions	\$
Real Estate Income	\$
Interest and Dividends	\$
Taxes Payable	\$
Other Income (itemize)	\$
	\$
TOTAL INCOME	\$

Contemporaneously with the submission of this Franchise Application, Applicant has tendered to Sbarro an application fee of \$3,500 (the 'Application Fee'). Applicant acknowledges that the Application Fee is non refundable; however, in the event Applicant's Application is approved by Sbarro and Applicant signs a Franchise Agreement with Sbarro within one year following the date of this Application, the Application Fee will be credited against the initial franchise fee due and payable pursuant to the Franchise Agreement. Otherwise, Applicant acknowledges and agrees that the Application Fee is wholly non refundable and may be retained by Sbarro in its sole discretion to cover Sbarro's costs in connection with the evaluation of this Application. Applicant further acknowledges that the Application Fee represents a fair estimate of costs to be incurred by Sbarro for the purpose of evaluating this Application and agrees not to contest Sbarro's retention of the Application Fee in the event Applicant is not approved for the acquisition of a Sbarro Franchise or Applicant is approved but does not sign a Franchise Agreement within one year following the date of this Application.

AS OF THE ____ DAY OF _____, 20__, I hereby attest to the accuracy of my financial data and authorize Sbarro Franchise Co , LLC and their authorized agent to verify all data submitted, and to make additional credit checks when it deems necessary

Signature of Applicant _____ Date _____

Printed Name of Signatory _____

SUBMIT COMPLETED APPLICATION TO rbuchanan@sbarro.com

EXHIBIT A

TO SBARRO FRANCHISE APPLICATION

OWNER'S STATEMENT

This form must be completed by the Franchisee Applicant ("I", "me," or "my") if my franchised business, will be owned by a business organization (like a corporation, partnership or limited liability company) Sbarro's is relying on the truth and accuracy of this form in awarding the Franchise Agreement to me

1 **Form of Company** I am a (check one)

- (a) General Partnership
- (b) Corporation
- (c) Limited Partnership
- (d) Limited Liability Company
- (e) Other

Specify _____

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

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

3 **Owners** The following list includes the full name and mailing address of each person who is one of my owners and fully describes the nature of each owner's interest Attach additional sheets if necessary

Owner's Name and Address	Description of Interest	% of Ownership
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

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

OWNER

INDIVIDUALS

[Signature]

[Print Name]

[Signature]

[Print Name]

[Signature]

[Print Name]

**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

[Name]

By _____

Print Name _____

Title _____

**Exhibit G to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

DEVELOPMENT AGREEMENT

SBARRO EXCLUSIVE DEVELOPMENT AGREEMENT

This **DEVELOPMENT AGREEMENT** ("Agreement") is made and entered into as of the ___ day of _____, 2017 by and between **SBARRO FRANCHISE CO, LLC**, a Delaware limited liability company with its principal place of business at 1328 Dublin Road, Columbus, Ohio 43215 ("Sbarro"), and _____, a _____ corporation ("Developer") with its principal place of business at _____

WITNESSETH

WHEREAS, Sbarro, as the result of the expenditure of time, skill, effort and money, has developed and owns a unique worldwide system ("System") of franchised and company owned Italian style restaurants that offer a varied and quality menu featuring pizza products, pasta, sandwiches, salads, desserts and beverages under the "SBARRO", "SBARRO THE ITALIAN EATERY", and "SBARRO FRESH ITALIAN COOKING" marks, as described in Exhibit A hereto ("Marks"), which System includes, without limitation, a distinctive interior layout and decor, interior and exterior signage, special techniques for food preparation and management, promotion and operation, and advertising methods and programs, all of which may be changed, improved and further developed by Sbarro from time to time,

WHEREAS, Sbarro is the owner of the entire right, title and interest in and to the Marks and such other trade names, service marks, trademarks and trade dress now or hereafter designated as part of the System for the benefit and exclusive use of Sbarro and its Developers, and

WHEREAS Sbarro continues to develop, use and control the Marks for the benefit and exclusive use of itself and Developers in order to identify for the public the System, and to represent the System's high standards of quality, appearance and service, and

WHEREAS, Developer wishes to obtain certain development rights to open and operate restaurants utilizing the Marks and System in the assigned area described in Exhibit B attached hereto ("Assigned Area"),

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows

1 GRANT

(a) Sbarro hereby grants to Developer the right to enter into Franchise Agreements with Sbarro pursuant to which Developer will establish and operate Restaurants (as defined below) during the Term, as hereinafter defined, at specific locations approved by Sbarro within the Assigned Area. For purposes hereof, "Franchise Agreement" means a franchise agreement in the form of Sbarro's then

current standard franchise agreement conformed for use by Sbarro in the Assigned Area. The current form of Franchise Agreement is appended hereto as Exhibit C. The schedule set forth in Exhibit D to this Agreement ("Development Schedule") sets forth the minimum number of "Restaurants," as hereinafter defined, to be opened (and in operation) by Developer at various stages during the Term. Each Restaurant developed hereunder shall be located within the Assigned Area.

(i) Exceptions to Assigned Areas

- a. U S Military Establishments Specifically excluded from the Assigned Areas are any existing or hereafter established possible U S military establishments, including their adjacent housing areas and support areas. Developer acknowledges that Sbarro has no control over or ability to stop development of new Restaurants on such U S military establishments and hereby releases Sbarro and its directors, officers, parent, subsidiaries, affiliates, employees, successors, and assigns from all claims or liability relating to the existence or opening of a Restaurant on such a U S military establishment, including without limitation any claim of encroachment or breach of existing or future franchise agreements, from the date of this Agreement forward.
- b. Hotel Chains Sbarro, directly or through a third party as franchisee, shall be free to develop Restaurants within hotels operating under a uniform brand or within a chain without first offering Developer an opportunity to negotiate a concession or other arrangement with the hotel to develop and open a Restaurant. Where Sbarro negotiates or wishes to negotiate with the brand or chain owners or members, Sbarro shall merely inform the Developer that such negotiations are in progress and/or such deal has been entered into.
- c. Airports Sbarro, directly or through a third party as franchisee, shall be free to develop Restaurants within airports (including their adjacent operating and support areas), without first offering Developer an opportunity to negotiate a concession or other arrangement with the airport authorities and/ or government agency to develop and open a Restaurant. Where Sbarro negotiates or wishes to negotiate with the airport authorities and/or government agency, Sbarro shall merely inform the Developer that such negotiations are in progress and/or such deal has been entered into.

(b) Subject to Developer's payment in full of the Development Fee, as set forth herein and compliance with the terms hereof, Sbarro will not grant any other party the right to operate Restaurants in the Assigned Area, nor will it do so itself, except as otherwise set forth herein. In this Agreement, "Restaurant" shall mean a food service business operated under the Marks and System but shall specifically exclude any food service business operated under the

Marks and System and which is located in, on, or as part of, a U S military establishment, hotel chain or airport, as referenced in Section 1(a), located in the Assigned Area Restaurants located in the excluded facilities are referred to as "Excluded Restaurants" Developer expressly acknowledges and agrees that Sbarro reserves the right to, and may, operate or franchise or license, others to operate, Excluded Restaurants both within and outside the Assigned Area Except as expressly set forth in this Section, Sbarro (on behalf of Sbarro and its affiliates) retains the right, in its sole discretion and without granting any rights to Developer, to (i) operate, or grant other persons the right to operate, restaurants not operating under the Marks and System at any location and on the terms and conditions as Sbarro deems appropriate, and (ii) sell, or grant other persons the right to sell, the products and services authorized for sale at Restaurants through other channels of distribution, including mail order, internet sales or other direct marketing channels, under the Marks or otherwise, on the terms and conditions as Sbarro deems appropriate

(c) Developer expressly acknowledges that, as between SBARRO and Developer, SBARRO is the owner of all right, title and interest in and to the Marks licensed to Developer by this Agreement, registered and unregistered Developer acknowledges and agrees that SBARRO may be unable to or choose not to obtain registration of some or all of the Marks and that SBARRO shall incur no liability to Developer nor shall Sbarro be deemed in breach of this agreement, nor shall Developer have a right of offset or defense for any failure by Sbarro to obtain, maintain or defend such registration

(d) This Agreement is not a license or franchise agreement and does not grant to Developer any right to use the Marks or System Such rights will be granted pursuant to the Franchise Agreement for each approved location, if any are executed

(e) Developer shall have no right under this Agreement to franchise or license others to use the Marks or System

(f) Developer shall establish and operate, from time to time, the minimum number of Restaurants in the Assigned Area required in accordance with the Schedule set forth in Exhibit D (the "**Minimum Franchise Requirement**") in order to maintain Developer's exclusive rights under this Agreement There shall be no limit on the maximum number of Restaurants that Developer shall be permitted to establish and operate in the Assigned Area during the Term of this Agreement and Developer shall be free in its sole discretion to establish Restaurants in the Assigned Area in excess of the Minimum Franchise Requirement, subject to the right of Sbarro to approve each such Restaurant and grant a Franchise Agreement therefor

2 DEVELOPMENT FEE, FRANCHISE FEES

(a) Developer shall pay to Sbarro _____ U S dollars (U S \$_____) ("Development Fee"), due upon execution of this Agreement The Development Fee shall be payable before any deduction for any withholding taxes or payments Developer is required to make to the appropriate tax authority In addition to the Development Fee, Developer shall pay to the appropriate tax authorities, on behalf of Sbarro, any amount which Developer is required to withhold or Sbarro is required to pay under any applicable laws

so that Sbarro receives the full amount of the Development Fee Developer shall promptly transmit to Sbarro official receipt for any payment of taxes withheld

(b) Upon execution of this Agreement, the Development Fee shall be fully earned by Sbarro and shall be non-refundable The parties recognize that the Development Fee is intended, among other things, to reimburse Sbarro for administrative and other expenses and for the development opportunities lost or deferred as a result of the rights granted Developer herein

(c) Pursuant to each Franchise Agreement, Developer shall pay to Sbarro, for each Restaurant to be opened in the Assigned Area, the "Initial Franchise Fee", as defined in the applicable Franchise Agreement, and a continuing "Royalty Fee", as defined in said Franchise Agreement, computed as set forth in Exhibit E hereto

3 SITE AND PLAN APPROVALS

(a) Developer shall not begin any work necessary or desirable to adapt a proposed site as a Restaurant until Sbarro shall have approved the site and the plans and specifications for the construction work thereat, including the design (interior and exterior), layout and signage of the proposed Restaurant

(b) Upon identifying a potential site for a Restaurant, Developer shall submit to Sbarro a site selection package in such form, and containing such information, as Sbarro shall request Sbarro, within thirty (30) days after its receipt of the site selection package, shall (i) approve the proposed site, (ii) disapprove the proposed site, or (iii) request additional information If additional information is requested, Sbarro shall approve or disapprove the site within fifteen (15) days after receipt of such additional information

(c) In the course of the site approval process, Sbarro shall make such on-site evaluation as Sbarro may deem advisable, provided, however, that Sbarro shall not provide on-site evaluation for any proposed site prior to receipt of a completed site selection package and letter of intent or other evidence satisfactory to Sbarro that confirms Developer's favorable prospects for obtaining the proposed site Sbarro shall perform one (1) site inspection for each proposed site without charging Developer any fee For each site inspection for each proposed site thereafter, Developer shall pay to Sbarro such inspection fee as Sbarro may reasonably prescribe and shall reimburse Sbarro for its reasonable expenses, including, without limitation, the costs of travel, lodging and food, incurred in connection with such on-site evaluation

(d) Within twenty-one (21) days after receipt by Sbarro of a Franchise Agreement for an approved site executed by Developer, as required by Section 4 hereof, Sbarro shall provide Developer with design specifications and requirements for such site including, as applicable, interior layout drawings and design specifications Such specifications and drawings will not be construction plans and specifications Upon receipt of such design package, Developer will prepare construction plans and specifications in compliance with applicable law and specifications in the Assigned Area and for the proposed site and, upon completion, will submit the construction plans and specifications to Sbarro for approval Sbarro shall approve or disapprove such plans and specifications within ten (10) days after receipt thereof If

disapproved, Sbarro will indicate the reasons therefor and indicate suggestions for changes, which, if made, will make the plans and specifications acceptable

4 MANNER OF EXERCISE OF DEVELOPMENT RIGHT

At the time Developer is sent notice of site approval, Sbarro shall submit to Developer a Franchise Agreement for the approved site, appropriately completed and setting forth, *inter alia*, Royalty Fees and Initial Franchise Fees to be paid upon execution thereof. Developer shall forward to Sbarro three (3) executed originals of the Franchise Agreement for the approved site, together with the payment due thereunder, promptly after receipt thereof. Submission of an executed Franchise Agreement and payment shall be a condition precedent to Sbarro's obligations to provide the additional services provided for herein, with respect to an approved site. Upon receipt of the executed Franchise Agreement, Sbarro shall execute the same and return a fully executed copy to Developer. Notwithstanding anything to the contrary contained herein, Sbarro shall not be required to perform any obligation hereunder, nor shall Developer be entitled to exercise its development rights, or open a new Restaurant, if at such time Developer is in breach or default of this Agreement, any Franchise Agreement or any other agreement between Developer (or any parent, subsidiary or affiliate of Developer) and Sbarro (or any parent, subsidiary or affiliate of Sbarro) or if there exists any event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default hereunder or thereunder.

5 TERM

(a) The term of this Agreement and all rights granted hereunder shall commence upon execution hereof by Sbarro and shall expire ten (10) years thereafter, unless sooner terminated as provided herein ("Term")

(b) Developer shall have the option to renew this Agreement subject to Section 1, provided

- (1) Developer gives Sbarro written notice of its intent to renew at least one-hundred and eighty (180) days prior to the expiration of this Agreement, and
- (2) At least one-hundred and eighty (180) days prior to the expiration of this Agreement, Developer has negotiated with Sbarro a development schedule and a renewal development fee for the renewal term, and
- (3) Developer shall pay to Sbarro at least ninety (90) days prior to the expiration of this Agreement, the renewal development fee determined by Sbarro and Developer, and
- (4) Developer has executed, upon renewal, Sbarro's then-current standard form of development agreement, conformed by Sbarro for use in accordance with the laws and customs in the Assigned Area (with

appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal and only for such renewal terms as are provided by this Agreement), which agreement shall supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement

6 DEVELOPER'S COVENANTS

(a) During the Term, Sbarro will disclose to Developer certain of Sbarro's proprietary, secret and confidential information, relating to, among other things, site selection, layout and design plans and specifications, technical knowledge, food product data, plans and specifications, supplier and vendor information, know how and other aspects of the System (collectively "Confidential Information") Developer agrees that during the Term and at all times thereafter

(i) It shall hold in confidence all Confidential Information, using the highest degree of care in connection therewith,

(ii) It shall use the Confidential Information only in connection with this Agreement and the development and operation of Restaurants and for no other purpose, and shall not permit the use thereof by any other person, firm, corporation, or entity ("Person"),

(iii) It shall not reproduce, copy or photograph, in any manner or form, any tangible embodiment of the Confidential Information,

(iv) The Confidential Information is, and at all times shall remain, the sole and exclusive property of Sbarro, and

(v) It shall limit dissemination of the Confidential Information to those of its employees, independent contractors and agents who have a need to know such information and who have agreed in writing to be bound by the terms of this paragraph pursuant to an agreement granting Sbarro the right to enforce such agreement and a duplicate original copy thereof shall have been provided to Sbarro

(b) During the Term and for one (1) year thereafter (or such longer period as may be provided in any other agreement between Sbarro and Developer), Developer will not, directly or indirectly, as principal, licensee, consultant, investor or in any other capacity, engage in, or have an economic interest in, any business located or operating in the Assigned Area which sells pizza or Italian entree items

(c) Developer covenants that during the Term, except as otherwise approved in writing by Sbarro, Developer shall not, either directly or indirectly, for itself, or through, on behalf of or in conjunction with any Person

(i) Divert or attempt to divert any business or customer of Sbarro to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System, or

(ii) Knowingly employ, or seek to employ, any person who is at the time employed, or during the six (6) month period prior to such time was employed, by Sbarro or by any licensee or developer of Sbarro, or otherwise directly or indirectly induce, or seek to induce, such person to leave their employment thereat

(d) Developer expressly acknowledges that the covenants contained in this Section are a material part of this Agreement and any failure by Developer to strictly adhere to the provisions of this Section will result in irreparable injury to Sbarro. Therefore, Developer agrees that, upon any breach or violation of this Section, or any threatened breach or violation of this Section, Sbarro, in addition to all other rights and remedies, all of which are reserved by Sbarro, shall be entitled to preliminary and permanent equitable relief, including an injunction, without bond, and without the need to prove irreparable harm or the inadequacy of legal remedies. If any of the covenants contained in this Section are deemed, by a court of competent jurisdiction, to be unenforceable by reason of the scope or duration thereof, such provision shall be deemed to be modified to the maximum scope or duration which such court would deem valid and enforceable, and as so modified shall be enforced by such court.

7 FAILURE TO MEET DEVELOPMENT SCHEDULE, EVENTS OF DEFAULT

Developer acknowledges that its undertaking to open Restaurants in accordance with the Development Schedule is a material inducement for Sbarro entering into this Agreement and time is of the essence as to Developer adhering to, and meeting, the Development Schedule. Therefore, each of the following events shall constitute a material event of default under this Agreement (individually, an "Event of Default," and collectively, the "Events of Default")

(a) Developer fails to obtain site approval or any other approval required from Sbarro prior to the commencement of construction of a Restaurant

(b) Developer fails to adhere to the agreed Development Schedule(s) in accordance with this Agreement or fails at any time to have open and operating a number of Restaurants meeting the Minimum Franchise Requirement

(c) Developer fails at any time to meet and satisfy fully the operational, financial and legal requirements set forth herein whether for the purpose of seeking franchise approval or in the day to day operation of a Restaurant, and does not cure such failure within thirty (30) days of receipt of written notice from Sbarro

(d) Developer fails to pay any amount when due under this Agreement and does not cure such failure within ten (10) days of written notice from Sbarro

(e) Dissolution, termination of existence, insolvency, or business failure of either Developer or any Developer's owners (as set forth in Exhibit "F" attached hereto, "Owners"), or the appointment of a custodian or receiver of any part of the property of Developer or any Owner, or a trust, mortgage or an assignment for the benefit of creditors is entered into by either Developer or any Owner, or the recording or existence of any lien against either Developer or any Owner for past due taxes, or the commencement by or against either Developer or any Owner of any proceeding under any bankruptcy or insolvency laws, or service on Sbarro of any writ, summons or process designed to affect any account or property of either Developer or any Owner, any of which is not released, dismissed, discharged, bonded or otherwise adequately reserved against within thirty (30) days

(f) Developer fails to obtain or renew any licenses or permits necessary for the performance of Developer's obligations under this Agreement or any Franchise Agreement, and does not cure such failure within thirty days of written notice from Sbarro

(g) Developer opens a Restaurant without Sbarro's approval, site approval, payment of all Initial Franchise Fees and other fees, and/or execution of a Franchise Agreement and all other agreements and documents required by Sbarro

(h) Developer or any Owner challenges the validity of any of the Marks, other trademarks or trade names, copyrights or other intellectual property of Sbarro

(i) Developer or any of its affiliates defaults under any Franchise Agreement or any other agreement with Sbarro or its affiliates and fails to cure such default within any applicable cure period

(j) The occurrence of any event or governmental regulation or practice or any law which prohibits or restricts the payment to Sbarro of the amounts due to Sbarro hereunder or under the proposed or existing Franchise Agreements, or if such a restriction is in Sbarro's reasonable opinion about to be imposed or likely to be imposed within twelve (12) months

(k) The occurrence of any event which is contrary to the provisions of Section 9 hereof

(l) Developer or any Owner fails to comply with any of the other terms, provisions or conditions of this Agreement, and does not cure such failure within thirty (30) days of receipt of written notice of such failure from Sbarro

Upon the occurrence of an Event of Default, in the event Developer is not then currently in compliance with the Minimum Franchise Requirement, Sbarro may elect, by notice to Developer, any or all of the following, in addition to any other rights granted to Sbarro hereunder or under law, and without affecting Developer's liabilities or obligations, monetary or otherwise, hereunder

- (i) Reduce (to zero or otherwise) or limit the number of additional Restaurants which Developer may establish hereunder,
- (ii) Terminate the territorial protection granted to Developer hereunder,
- (iii) Reduce the Assigned Area,
- (iv) Accelerate the Development Schedule,
- (v) Require Developer to pay to Sbarro the unpaid Initial Franchise Fees for each Restaurant required to be opened pursuant to the Development Schedule as of the date of such Event of Default and for all periods thereafter,
- (vi) Require Developer to increase the Royalty Fee payable for each existing Restaurant by 200 basis points,
- (vii) Require Developer to pay to Sbarro an amount equal to Sbarro's estimate of twelve (12) months of Royalty Fees for each Restaurant required to be opened pursuant to the Development Schedule as of the date of such Event of Default and during all periods thereafter but not so opened,
- (viii) Require Developer to pay directly to Sbarro all monies required under the Franchise Agreements to be expended locally on advertising

8 ADDITIONAL REMEDIES UPON AN EVENT OF DEFAULT

- (a) Sbarro may terminate this Agreement, and all rights of Developer hereunder, and/or
- (b) Sbarro may terminate all existing Franchise Agreements, and/or
- (c) Sbarro shall be entitled to all remedies provided by law for a breach, or termination after breach, of an agreement, and/or
- (d) Developer shall immediately cease, and shall not at any time thereafter, directly or indirectly, to represent to the public or hold itself out as a present or former Franchisee or Developer of Sbarro, and/or

(e) Developer shall indemnify and hold Sbarro and Sbarro's affiliates, and their respective officers, directors, shareholders, agents, and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with Developer's activities hereunder (including but not limited to the establishment and operation of Restaurants) as well as the costs, including attorneys' fees, of defending against them

9 TRANSFER

(a) Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, and are granted in reliance on the business skill and financial capacity of Developer and the Persons presently owning the controlling interests in Developer. Accordingly, neither Developer, any immediate or remote successor to any part of Developer's interest in this Agreement, nor any Person who directly or indirectly controls Developer shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement, or transfer any interest in Developer or any Person that directly or indirectly controls Developer, in a transfer or series of transfers which results in a change in control of Developer, in any such case without prior written consent of Sbarro. Any such purported assignment or transfer, by operation of law or otherwise without Sbarro's prior written consent shall be null and void and shall constitute a material breach of this Agreement.

(b) Sbarro shall not unreasonably withhold its consent to any transfer requiring its consent, provided, the following conditions are met at or prior to the transfer:

(i) Developer is not in default under this Agreement or any Franchise Agreement and all of Developer's monetary obligations to Sbarro and its subsidiaries and affiliates shall have been fully satisfied under this Agreement and the Franchise Agreements,

(ii) The transferor shall have executed a general release in a form satisfactory to Sbarro of any and all claims against Sbarro and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal and local laws, rules and ordinances,

(iii) The transferee is a Person with, in Sbarro's opinion, sufficient business experience, financial resources and aptitude to develop and operate Restaurants in the Assigned Area,

(iv) The transferee or its personnel have completed Sbarro's training program to Sbarro's satisfaction and have paid Sbarro's then current training fee,

(v) The transferee must have assumed, and agreed to be bound by the terms and conditions of, this Agreement and each Franchise Agreement then in effect, for the remainder of their respective terms,

(vi) Developer or the transferee shall have paid Sbarro a transfer fee of Ten Thousand (\$10,000) dollars,

(vii) Sbarro shall have approved the material terms and conditions of such transfer, including without limitation, that the price and payment terms are not so burdensome as to adversely affect transferee's performance hereunder and under any Franchise Agreement that is in effect,

(viii) All third parties (such as landlords or governmental authorities) whose consent is required in connection with the proposed transfer shall have granted such consent,

(ix) Sbarro shall not have exercised its right of first refusal pursuant to Section 9(d) hereof, and

(x) The transferee shall have acknowledged that Sbarro's approval of the proposed transfer is based solely upon Sbarro's assessment that the proposed transferee falls within acceptable criteria as a developer in the Assigned Area and does not institute any approval of the terms of the transfer

(c) Securities in the Developer may be offered to the public only with the prior written consent of Sbarro, which consent shall not be unreasonably withheld. All registration materials required for such offering by applicable law shall be submitted to Sbarro for review prior to their being filed with any government agency and any materials to be used in any exempt offering shall be submitted to Sbarro for review prior to their use. No public offering by the Developer shall imply (by way of use of the Marks or otherwise) that Sbarro is participating in an underwriting, issuance or public offering of the Developer's securities. Sbarro's review of any offering shall be limited solely to the subject of the relationship between the Developer and Sbarro. The Developer and the other participants in the registration shall fully indemnify Sbarro in connection with the registration. For each proposed public offering, the Developer shall reimburse Sbarro for its reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. The Developer shall give Sbarro at least sixty (60) days prior written notice prior to the effective date of any offering.

(d) (i) In the event that (A) any transfer of an interest in Developer which will constitute a change in control of Developer, or (B) any transfer of this Agreement or any interest herein, is proposed by Developer, Sbarro shall have the right of first refusal, exercisable within thirty (30) days after receipt of written notification of such proposed transfer, to send written notice to the transferor that Sbarro intends to purchase transferor's interest on the same terms and conditions offered by the third party. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Sbarro as in the case of an initial offer. Failure of Sbarro to exercise the option afforded by this Subparagraph shall not constitute a waiver of any other provisions of this Agreement, including all of the requirements of this Section with respect to a proposed transfer.

(ii) If the consideration, terms and/or conditions offered by a third party are such that Sbarro or its nominee cannot reasonably perform, then Sbarro may purchase the

interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by a third party, an independent appraiser shall be designated by the parties, and its determination shall be binding.

(111) If a proposed transfer is between any two Persons holding any interest in Developer as of the date of this Agreement, or if the proposed transferee is the spouse, son, daughter, or heir of any individual who seeks to transfer an interest in Developer, Sbarro shall not have any right of first refusal, provided, however, that all such transfers shall nevertheless be subject to Sbarro's prior approval.

(e) Sbarro's consent to a transfer of any interest in Developer or in this Agreement shall not constitute a waiver of any claims Sbarro may have against the transferring party, nor shall it be deemed a waiver of Sbarro's right to demand exact compliance with any of the terms of this Agreement by the transferee.

(f) Sbarro shall have the right to transfer, assign, or delegate all or any part of its rights or obligations herein to any Person, and Developer agrees hereby to consent to any such assignment and delegation. Developer agrees to execute any agreements requested by Sbarro in connection therewith. Any such assignment shall be binding upon and inure to the benefit of Sbarro's successors and assigns.

10 CORPORATE RESTRICTIONS

(a) Developer shall maintain stop transfer instructions against the transfer on its records of any equity securities, and each certificate representing equity ownership in Developer shall have conspicuously endorsed upon its face a statement, in a form satisfactory to Sbarro, that it is held subject to, and that further transfer or assignment thereof is subject to, all restrictions on assignments imposed by this Agreement.

(b) Developer shall maintain a current list of all owners of record and all beneficial owners of any class of voting stock or other voting or equity interest in Developer and shall furnish the list to Sbarro upon request. Exhibit F hereto is a true and current list of the owners of record and beneficial owner of any class of voting stock or other voting or equity interest in Developer.

11 NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be mailed by certified mail, return receipt requested, or Express Mail, or sent via recognized national or international courier, postage or fees prepaid, to the other party at the following addresses unless and until a different address has been designated by similar notice

Notice to Sbarro	Sbarro Franchise Co , LLC 1328 Dublin Road Columbus, Ohio 43215, U S A Attention President
with copies to	Attention Controller and Attention General Counsel and Attention Franchise Department
Notice to Developer	_____ _____ _____ Attention _____

Either party hereto may from time to time provide additional addresses or substitute addresses as the case may be by notice pursuant to this Section. All notices permitted or required to be delivered by the provisions of this Agreement or of the Operations Manuals shall be deemed effective upon receipt or refusal.

12 INDEPENDENT CONTRACTORS

(a) This Agreement does not create a fiduciary relationship between the parties, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purposes whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

(b) Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. Developer agrees to take such actions as shall be necessary to that end.

(c) Developer understands and agrees that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty or representation on Sbarro's behalf, or to incur any debt or other obligation in Sbarro's name, and that Sbarro assumes no liability for, nor shall be deemed liable by reason of, any act or omission of Developer or any claim or judgment arising therefrom. Developer shall indemnify, defend and hold Sbarro and Sbarro's officers, directors, employees and agents harmless against any and all such claims arising directly or

indirectly from, as a result of, or in connection with, Developer's activities hereunder, as well as the cost, including reasonable attorney's fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks that are caused solely by actions of Sbarro or actions caused by the negligent acts of Sbarro or its agents

13 NO WAIVER

No failure of Sbarro to exercise any power reserved to it in this Agreement or to insist upon compliance by Developer with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Sbarro's rights to demand exact compliance with the terms of this Agreement. Waiver by Sbarro of any particular default shall not affect or impair Sbarro's right with respect to any subsequent default of the same or of a different nature, nor shall any delay, forbearance or omission of Sbarro to exercise any power or right arising out of any breach of default by Developer of any of the terms, provisions or covenants of this Agreement affect or impair Sbarro's rights, nor shall such constitute a waiver by Sbarro of any right hereunder or rights to declare any subsequent breach or default

14 APPLICABLE LAW, DISPUTE RESOLUTION

(a) This Agreement shall be interpreted and construed exclusively under the laws of Ohio, which laws shall prevail in the event of any conflict of law

(b) Except as described in Section 14(c) hereof, any claim or controversy arising out of or related to this Agreement or the making, performance, or interpretation of this Agreement shall be finally settled under the Arbitration Rules of the American Arbitration Association then in force, by one arbitrator appointed by the American Arbitration Association in accordance with said rules. The place of arbitration shall be in Franklin County, Ohio. All cost of arbitration, including the arbitrator's fee, shall be borne by the losing party. The parties agree that the award of the arbitrator shall be the sole and exclusive remedy between them regarding any claims, counterclaims, issues, or accountings presented or pled to the arbitrator, that it shall be made and shall promptly be payable in U S dollars free of any tax, deduction or offset, and that any costs, fees, or taxes incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement. The award shall include interest from the date of any damages incurred for breach or other violation, and from the date of the award until paid in full, at a rate to be fixed by the arbitrator, but in no event less than one and one-half percent (1 5%) per month, or part of a month, until paid

(c) Nothing herein contained (including, without limitation, Section 14(b) hereof, regarding arbitration) shall bar Sbarro's right to obtain injunctive relief from any court having valid jurisdiction against threatened conduct that will cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions

(d) Developer shall pay to Sbarro all damages, costs, and expenses, including all court costs, arbitration costs, and reasonable attorney's fees, incurred by Sbarro in successfully

enforcing any provision of this Agreement, including, but not limited to the obtaining of injunctive relief Developer shall reimburse Sbarro for all of Sbarro's legal costs and expenses should Developer challenge Sbarro's interpretation of this Agreement outside of arbitration or litigation

(e) Neither the foregoing remedies nor any other remedy exercised by either party shall be deemed exclusive but both parties shall be entitled cumulatively to exercise any and all remedies available in law or equity, and its exercise of any one right or remedy shall not preclude it from exercising any other right or remedy

15 FORCE MAJEURE

Neither party shall be responsible to the other for non-performance or delay in performance occasioned by and caused by circumstances beyond its reasonable control, including without limiting the generality of the foregoing, act or omissions of the other party, acts of civil or military authority, strikes, lock-outs, embargoes, and insurrections, or acts of God If any such delay occurs, any applicable time period shall automatically be extended for a period equal to the time lost, provided that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt notice of any such delay Notwithstanding the foregoing, the provisions of this Section shall not result in any delay in the payment of any amounts due hereunder

16 MISCELLANEOUS

(a) Nothing in this Agreement shall confer upon any Person other than Sbarro or Developer, and such of their respective successors and assigns as may be contemplated hereby, any rights or remedies under or by reason of this Agreement

(b) All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Developer shall be deemed jointly and severally undertaken by those executing this Agreement on behalf of Developer

(c) This Agreement may be executed in multiple copies or counterparts and each copy so executed shall be deemed an original and one and the same agreement

(d) This Agreement, the documents referred to herein and the exhibits attached hereto, constitute the entire, full and complete agreement between Sbarro and Developer concerning the subject matter hereof and shall supersede any and all agreements that may have been heretofore entered into between Sbarro and Developer with respect to the subject matter hereof No amendment, change or variances from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing and indicating an intention to modify or amend this Agreement

17 DEVELOPER ACKNOWLEDGMENTS

(a) Developer acknowledges that the success of the business venture contemplated by this Agreement involves substantial business risks and will be largely dependent upon the ability of Developer as an independent entity Sbarro expressly disclaims the making of, and Developer acknowledges not having received any, warranty or guaranty, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement

(b) Developer acknowledges having received, read and understood this Agreement, the exhibits attached hereto and agreements relating hereto, if any, delivered simultaneously herewith, and that Sbarro has accorded Developer ample time and opportunity to consult with advisors of Developer's own choosing about the potential risks of entering into this Agreement

(c) Developer acknowledges that it received a complete copy of this Agreement, the exhibits hereto and agreements relating hereto, if any, at least five (5) business days prior to the date on which this Agreement was executed

18 GUARANTY

As an inducement to Sbarro to enter into this Agreement with Developer, the principals of Developer are concurrently entering into a guaranty agreement in form and substance appended hereto as Exhibit G (the "Guaranty")

19 ANTI-TERRORISM LAW

(a) Developer, to the best of its knowledge, represents and warrants to Sbarro as follows

(i) Neither Developer, its principals, investors, affiliates, licensees, consultants, nor any of their respective agents (collectively, the "Developer Parties") is in violation of any law relating to terrorism or money laundering, including, but not limited to, Executive Order No 13224 on Terrorist Financing, the U S Bank Secrecy Act, as amended by the Patriot Act, the Trading with the Enemy Act, the International Emergency Economic Powers Act and all regulations promulgated thereunder, all as amended from time to time (collectively, "Anti-Terrorism Law")

(ii) No action, proceeding, investigation, charge, claim, report, or notice has been filed, commenced, or threatened against any of the Developer Parties alleging any violation of any Anti-Terrorism Law

(iii) None of the Developer Parties has, after due inquiry, knowledge of any fact, event, circumstance, situation or condition which could reasonably be expected to result in any action proceeding, investigation, charge, claim, report, notice or penalty being filed, commenced, threatened or imposed against any of them relating to any violation of or failure to comply with any Anti-Terrorism Law

(iv) None of the Developer Parties is a “Prohibited Person” A Prohibited Person means any of the following

- (1) A person or entity that is “specially designated” on the most current list published by the U S Treasury Department Office of Foreign Asset Control or which is owned, controlled by or acting for or on behalf of any such person or entity,
- (2) A person or entity with whom Sbarro is prohibited from dealing by any Anti-Terrorism Law,
- (3) A person or entity that commits, threatens, or conspires to commit or supports “terrorism”, as defined in any Anti-Terrorism Law

(i) None of the Developer Parties

- (1) Conducts any business or transactions or makes or receives any contribution of funds, goods, or services in violation of any Anti-Terrorism Law,
- (2) Engages in or conspires to engage in any transaction that evades or avoids, has the purpose of evading or avoiding or attempts to violate any of the prohibitions of any Anti-Terrorism Law

(b) Developer covenants that it shall not knowingly

- (i) Conduct any business or transaction or make or receive any contribution of funds, goods, or services in violation of any Anti-Terrorism Law,
- (ii) Engage in or conspire to engage in any transaction that evades or avoids, has the purpose of evading or avoiding or attempts to violate any of the prohibitions of any Anti-Terrorism Law

(c) Developer agrees promptly to deliver to Sbarro (but in any event within ten (10) days of Sbarro’s written request) any certification or other evidence requested from time to time by Sbarro, in its reasonable discretion, confirming Developer’s compliance with the foregoing

THIS AGREEMENT SHALL NOT BE BINDING ON SBARRO UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF SBARRO

[BALANCE OF PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement Upon signature and delivery of this Agreement by both parties, the effective date shall be the date first above written

ATTEST

SBARRO FRANCHISE CO , LLC

Secretary

By _____

Title _____

Date _____

_____ (**“Developer”**)

ATTEST

Secretary

By _____

Title _____

Date _____

DEVELOPMENT AGREEMENT

ACKNOWLEDGMENT STATEMENT

I HEREBY ACKNOWLEDGE THAT I HAVE RECEIVED AND HAVE READ SBARRO'S FRANCHISE DISCLOSURE DOCUMENT AT LEAST TEN (10) BUSINESS DAYS PRIOR TO THE DATE THAT I HAVE EXECUTED THIS AGREEMENT, THAT I HAVE NOT PAID ANY CONSIDERATION THEREFOR TO SBARRO, AND THAT I HAVE RECEIVED COPIES OF THIS DEVELOPMENT AGREEMENT (AND RELATED AGREEMENTS, IF ANY) TO BE EXECUTED WITH SBARRO, IF ANY, AT LEAST FIVE (5) BUSINESS DAYS BEFORE SIGNING THE SAME

Witness

By _____
(DEVELOPER)

Witness

By _____
(DEVELOPER)

DEVELOPMENT AGREEMENT

DISCLAIMER STATEMENT

The undersigned having voluntarily applied for the right to develop certain franchises for the operation of RESTAURANTS, does hereby acknowledge the following

- 1) Neither any SBARRO sales personnel nor any officer or employee of SBARRO is authorized (and indeed they are specifically directed not) to make any claims or statements as to the prospects or chances of success that your franchise can expect or that past Developers have had. No assurance or guaranty of success is either directly or indirectly given, intended, or implied by SBARRO.
- 2) Neither SBARRO nor any of its employees has made any representation or guaranty orally or in writing as to any gross sales, net profits, gross profits, revenues or other earnings that DEVELOPER can expect.
- 3) SBARRO representatives, officers, and other employees are not authorized to represent or estimate dollar volumes and they are directed to provide the names of store owners in the contemplated area so that the prospective Developer can make its own investigation and analysis.
- 4) SBARRO is not bound by any unauthorized representations as to the success or dollar volume.

Dated this ____ day of _____, 201__

WITNESSETH

_____ (“Developer”)

BY _____
Signature of DEVELOPER

BY _____
Signature of DEVELOPER

Signature of DEVELOPER’s Attorney

DEVELOPMENT AGREEMENT

EXHIBIT A

List of Proprietary Marks

Trademarks and Service Marks	Registration Date or Application Date	Registration Number or Application Number	International Class
SBARRO®	June 4, 1974	985,647	42
SBARRO®	August 6, 1996	1,991,581	30
SBARRO THE ITALIAN EATERY®	July 14, 1981	1,161,472	42
MAMA SBARRO®	September 17, 2002	2,622,140	42
MAMA SBARRO'S PIZZERIA®	November 5, 2002	2,646,881	42
MAMA MAKES IT BETTER®	September 17, 2002	2,622,141	42
SBARRO SKINNY SLICE®	February 18, 2014	4,486,142	30
TONY & BRUNO'S®	November 20, 2001	2,511,105	42
SBARRO FRESH ITALIAN COOKING® (Stylized and Design)	May 22, 2012	4,147,731	43
SBARRO NYC 1956® (Stylized/Design) 	June 30, 2015	4,762,939	43
SBARRO HORIZONTAL  SBARRO	April 12, 2016	4 935,193	43
SLICE SOCIETY	June 21, 2016	4,984 761	43
SBARRO	June 21, 2016	4,982 2440	30

DEVELOPMENT AGREEMENT

EXHIBIT B

Assigned Area

Within the established and internationally recognized borders of _____ as it currently exists, subject to the Exceptions set forth herein

DEVELOPMENT AGREEMENT

EXHIBIT C

Franchise Agreement

DEVELOPMENT AGREEMENT

EXHIBIT D

Development Schedule

<u>By</u>	<u>Cumulative Minimum Number of Restaurants to be Opened and in Operation</u>
**TOTAL	

DEVELOPMENT AGREEMENT

EXHIBIT E

Initial Franchise Fees and Royalties

INITIAL FRANCHISE FEE PER UNIT

U S \$ _____

ROYALTY FEE

_____ PERCENT (___%) OF GROSS SALES (AS DEFINED IN THE APPLICABLE FRANCHISE AGREEMENT), LESS DOCUMENTED TAXES OR OTHER FEES PAID BY DEVELOPER

DEVELOPMENT AGREEMENT

EXHIBIT F

List of Owners

The owners of _____, and their respective ownership interests as of the date of the Development Agreement are

_____	-	_____ %
_____	-	_____ %
_____	-	_____ %
_____	-	_____ %

DEVELOPMENT AGREEMENT – *USE ONLY FOR MULTIPLE GUARANTORS*

EXHIBIT G

GUARANTY, INDEMNIFICATION AND ACKNOWLEDGEMENT

As an inducement to Sbarro Franchise Co , LLC (hereinafter referred to as “Sbarro”) to execute the Development Agreement between Sbarro and [Developer’s name], (hereinafter referred to as “Developer”) dated _____, 201__ (hereinafter referred to as the “Agreement”), the undersigned, jointly and severally, hereby unconditionally guaranty to Sbarro and its successors and assigns that all of Developer’s obligations under the Agreement will be punctually paid and performed

Upon demand by Sbarro, the undersigned will immediately make each payment required of Developer under the Agreement. The undersigned hereby waive any right to require Sbarro to (a) proceed against Developer for any payment required under the Agreement, (b) proceed against or exhaust any security from Developer, or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Developer. Without affecting the obligations of the undersigned under this Guaranty, Sbarro may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust, or compromise any claims against Developer. The undersigned waive notice of amendment of the Agreement and notice of demand for payment by Developer, and agree to be bound by any and all such amendments and changes to the Agreement.

The undersigned agree at all times to defend at the undersigned’s own cost, and to indemnify and hold harmless to the fullest extent permitted by law, Sbarro, and Sbarro’s officers, directors, employees and agents against any and all claims arising directly or indirectly from, as a result of, or in connection with, Developer’s activities under the Agreement, as well as the cost, including reasonable attorney’s fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks that are caused solely by actions of Sbarro or actions caused by the negligent acts of Sbarro or its agents.

The undersigned hereby acknowledge and agree to be individually bound by all of the covenants contained in Sections 6 and 9 of the Agreement as if such covenants applied to the undersigned individually.

This Guaranty shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination or expiration shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the termination or expiration of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 14 of the Agreement, a copy of which the undersigned acknowledge having read and understood. This Guaranty shall be interpreted and construed under the laws of the State of Ohio which laws shall prevail in the event of any conflict of laws. The other dispute resolution provisions of Section 14 of the Agreement shall apply to this Guaranty.

Any and all notices required or permitted under this Guaranty shall be in writing and shall be mailed by certified mail return receipt requested, or Express Mail, or sent via recognized national or international courier, postage or fees prepaid to the other party at the following addresses unless and until a different address has been designated by similar notice.

Notice to Sbarro	Sbarro Franchise Co , LLC 1328 Dublin Road Columbus, Ohio 43215 Attention: President
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With exact copies to	Attention: Controller Attention: General Counsel
----------------------	---

Notice to Undersigned	_____ _____ _____ Attention: _____
-----------------------	---

All notices shall be effective upon receipt or refusal.

IN WITNESS WHEREOF, each of the undersigned has signed this Guaranty as of the date of the Agreement.

GUARANTORS	_____ [name of Guarantor]
	_____ [name of Guarantor]
	_____ [name of Guarantor]

EXHIBIT G – USE ONLY IF SINGLE GUARANTOR

GUARANTY, INDEMNIFICATION AND ACKNOWLEDGMENT

As an inducement to Sbarro Franchise Co , LLC (“Sbarro”) to execute the Development Agreement between Sbarro and [Developer’s name], (“Developer”) dated _____, 201__ (the “Agreement”), the undersigned hereby unconditionally guarantees to Sbarro and its successors and assigns that all of Developer’s obligations under the Agreement will be punctually paid and performed

Upon demand by Sbarro, the undersigned will immediately make each payment required of Developer under the Agreement. The undersigned hereby waives any right to require Sbarro to (a) proceed against Developer for any payment required under the Agreement, (b) proceed against or exhaust any security from Developer, or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Developer. Without affecting the obligations of the undersigned under this Guaranty, Sbarro may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust, or compromise any claims against Developer. The undersigned waives notice of amendment of the Agreement and notice of demand for payment by Developer, and agrees to be bound by any and all such amendments and changes to the Agreement.

The undersigned agrees at all times to defend at the undersigned’s own cost, and to indemnify and hold harmless to the fullest extent permitted by law, Sbarro, and Sbarro’s officers, directors, employees and agents against any and all claims arising directly or indirectly from, as a result of, or in connection with Developer’s activities under the Agreement, as well as the cost, including reasonable attorney’s fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks that are caused solely by actions of Sbarro or actions caused by the negligent acts of Sbarro or its agents.

The undersigned hereby acknowledges and agrees to be individually bound by all of the covenants contained in Sections 6 and 9 of the Agreement as if such covenants applied to the undersigned individually.

This Guaranty shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination or expiration shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the termination or expiration of the Agreement shall remain in force according to their terms. Upon the death of the guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death.

Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 14 of the Agreement, a copy of which the undersigned acknowledges having read and understood. This Guaranty shall be interpreted and construed under the laws of the State of

Ohio which laws shall prevail in the event of any conflict of laws The other dispute resolution provisions of Section 14 of the Agreement shall apply to this Guaranty

Any and all notices required or permitted under this Guaranty shall be in writing and shall be mailed by certified mail return receipt requested, or Express Mail, or sent via recognized national or international courier, postage or fees prepaid to the other party at the following addresses unless and until a different address has been designated by similar notice

Notice to Sbarro	Sbarro Franchise Co , LLC 1328 Dublin Road Columbus, Ohio 43215 Attention President
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With exact copies to	Attention Controller Attention General Counsel
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Notice to Undersigned	_____ _____ _____ Attention _____
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All notices shall be effective upon receipt or refusal

IN WITNESS WHEREOF, the undersigned has signed this Guaranty as of the date of the Agreement

GUARANTOR	_____ [name of Guarantor], Individually
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**Exhibit H to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, in accordance with applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for review, registration and oversight of franchises in these states:

STATE	AGENCY
California	Department of Business Oversight 1-866-275-2677 <i>Los Angeles</i> 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 <i>Sacramento</i> 1515 K Street South Suite 200 Sacramento, CA 95813-4052 (916) 445-7205 <i>San Diego</i> 1350 Front Street Room 2034 San Diego, CA 92101-3697 (619) 525-4233 <i>San Francisco</i> One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565
Delaware	Corporate Creations Network Inc 3411 Silverside Road, #104 Rodney Building Wilmington, Delaware 19810
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2727
Illinois	Illinois Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Franchise Section Indiana Securities Division Secretary of State 302 W Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681

STATE	AGENCY
Maryland	Maryland Securities Commissioner 200 St Paul Place Baltimore, MD 21202-2020 (410) 576-6532
Michigan	Consumer Protection Division, Franchise Unit Michigan Department of Attorney General G Mennen Williams Bldg 525 W Ottawa Street, 6 th Floor Lansing Michigan 48913 (517) 373-7117
Minnesota	Franchise Examiner Minnesota Department of Commerce 85 7 th Place East, Suite 500 St Paul, MN 55101-2198 (651) 296-6328
New York	Attention New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th floor Albany, NY 12231-0001 (518) 473-2492
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Bismarck, ND 58505-0510 (701) 328-4712
Ohio	Corporate Creations Network Inc 119 E Court Street Cincinnati, Ohio 45202
Oregon	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter St NE, Rm 410 Salem, Oregon 97301-3881 (503) 378-4140
Rhode Island	Department of Business Regulation Securities Division Bldg 69, First Floor, John O Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401)462-9527

STATE	AGENCY
South Dakota	Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823
Virginia	Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9051
Washington	Department of Financial Institutions Securities Division - 3 rd Floor 150 Israel Road, SW Turnwater, Washington 98507 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions 201 W Washington Ave Madison, Wisconsin 53703 (608) 267-9140

**Exhibit I to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

STATE REGULATORY AUTHORITIES

STATE REGULATORY AUTHORITIES

California

Department of Business Oversight
320 West 4th Street Suite 750
Los Angeles, CA 90013
(213) 576-7500 or (866) 275-2677

Connecticut

Principal Securities Examiner
44 Capitol Avenue
Hartford CT 06106
(860) 240-8100

Florida

Dept of Agriculture and Consumer Services
Division of Consumer Services
Mayo Building Second Floor
Tallahassee FL 32399-0800
(904) 487-4177

Hawaii

Director of Department of Commerce &
Consumer Affairs
Business Registration Division
335 Merchant Street Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois

Franchise Bureau
Office of Attorney General
500 South Second Street
Springfield IL 60601
(217) 782-4465

Indiana

Indiana Securities Division
Secretary of State
Room E-111
302 West Washington Street
Indianapolis IN 46204
(317) 232-6688

Iowa

Iowa Securities Bureau
Second Floor
Lucas State Office Building
Des Moines, IA 50319
(515) 281-4441

Kentucky

Office of Attorney General
1024 Capital Center Drive
Frankfort KY 40602
(502) 564-7600

Maryland

Office of the Attorney General
Division of Securities
200 St Paul Place
Baltimore MD 21202-2020
(410) 576-6532

Michigan

Consumer Protection Division
G Mennen Williams Building 1st Floor
525 Ottawa Street
Lansing MI 48913
(517) 373-7117

Minnesota

Minnesota Department of Commerce
85 7th Place East Suite 500
St Paul MN 55101-2198
(612) 296-6328

Nebraska

Nebraska Dept of Banking & Finance Bureau of
Securities
1200 N Street, Suite 311
Lincoln NE 68509-5006
(402) 471-3445

New York

Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
120 Broadway 23rd Floor
New York, NY 10271-0332
(212) 416-8236 (Phone)
(212) 416-6042 (Fax)

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capital – Fifth Floor
Bismarck ND 58505
(701) 328-4712

Oregon

Department of Consumer and
Business Services Securities Section
21 Labor and Industries Building
Salem OR 97310
(503) 378-4387

Rhode Island

Division of Securities
1511 Pontiac Avenue
John O Pastore Complex – Building 69-1
Cranston RI 02920
(401) 277-3048

South Dakota

Department of Labor and Regulation
Division of Securities
124 S Euclid Suite 104
Pierre SD 57501
(605) 773-4823

Texas

Secretary of State Statutory Document
Section
1019 Brazos
Austin TX 78711
(512) 463-5701

Utah

Division of Consumer Protection
Utah Department of Commerce
160 East Three Hundred South
P O Box 45804
Salt Lake City UT 84145-0804
(801) 530-6601

Virginia

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

Washington

Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater WA 98504
(360) 902-8760

Wisconsin

Franchise Administrator
Securities and Franchise Registration
Wisconsin Securities Commission
345 W Washington Avenue 4th Floor
Madison WI 53703
(608) 266-8559

Federal Trade Commission Bureau of Consumer Protection

Division of Marketing Practices
Bureau of Consumer Protection
Pennsylvania Avenue at 6th Street NW
Washington DC 20580
(202) 326-3128

**Exhibit J to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

LIST OF OUTLETS

FRANCHISE OUTLETS
12/31/16

State	Address	Franchisee	Phone Number
ALABAMA - 2			
	REGENCY SQUARE MALL 301 COX CREEK PARKWAY, SUITE 1218 FLORENCE AL 39563	NIPCORE, INC	256-764-5779
	GRAND RIVER MALL 6200 GRAND RIVER BLVD EAST, SUITE 362 LEEDS AL 35094	SEVEN HILLS, INC	205-699-0456
ARIZONA - 2			
	FOOTHILL MALLS 7401 N LA CHOLLA BLVD, STE 141 TUSCON AZ 85741	JAIN ENTERPRISES	520-245-6055
	ELOY AZ SBARRO 2949 SOUTH TOLTEC ROAD ELOY AZ 85231	TRAVEL CENTERS OF AMERICA	614-467-2900
CALIFORNIA - 7			
	HILTON ANAHEIM 777 WEST CONVENTION WAY ANAHEIM CA 92802	VINCENT BOON HOO YEE AND WINNIE YEE	714-971-4664

State	Address	Franchisee	Phone Number
	CALIFORNIA STATE UNIVERSITY BAKERSFIELD 9001 STOCKDALE HIGHWAY BAKERSFIELD CA 93311	ARAMARK FOOD AND SUPPORT SERVICE, INC	661-654-2254
	CALIFORNIA STATE UNIVERSITY LONG BEACH 1212 BELLFLOWER BLVD LONG BEACH CA 90815	FAMNIK LLC	562-498-3737
	LA CITY MALL 201 NORTH LOS ANGELES STREET SUITE 22A LOS ANGELES CA 90012	SHAWN DAVOOD	213-437-0707
	SOUTH BROADWAY 252 SOUTH BROADWAY LOS ANGELES CA 90013	LA TASTY GRILL LLC	213-613-1250
	VICTORIA GARDENS 12434 NORTH MAIN STREET #101 RANCHO CUCAMONGA CA 91739	SUNG JUN LEE	909-646-9663

State	Address	Franchisee	Phone Number
	32ND NAVAL BASE STATION WARD STREET BLGD #3421 SAN DIEGO CA 92136	RICE KING FOODS, INC	619-696-8868
CONNECTICUT – 8			
	DARIEN TRAVEL PLAZA NORTH ONE CONNECTICUT TURNPIKE EAST DARIEN CT 06820	SEVEN HILLS, INC	203-406-7724
	DARIEN TRAVEL PLAZA SOUTH ONE CONNECTICUT TURNPIKE WEST DARIEN CT 06820	SEVEN HILLS, INC	203-202-2593
	FOXWOODS CASINO – SODEXO 302 MUSHEE MAHCHAQ PO BOX 3777 MASHANTUCKET CT 06338	SODEXO AMERICA, LLC	603-327-5652
	CONNECTICUT POST 14 CINEMA 1201 BOSTON POST ROAD MILFORD CT 06460	NATIONAL AMUSEMENTS RAVE CINEMAS	203-783-1404

State	Address	Franchisee	Phone Number
	MILFORD I-95 NORTH ONE CONNECTICUT TURNPIKE EAST MILFORD CT 06460	SEVEN HILLS, INC	203-283-3712
	MILFORD I-95 SOUTH ONE CONNECTICUT TURNPIKE WEST MIFLORD CT 064640	SEVEN HILLS, INC	203-406-7724
	UNION RAIL STATIOIN 50 UNION AVENUE NEW HAVEN CT 06519	UNION PIZZA, LLC	203-773-1220
	TINACO TRAVEL PLAZA 273 CLARKS FALL ROAD NORTH STONINGTON CT 06359	TINANCO PLAZA LLC	860-599-2020
DELAWARE - 1			
	CONCORD MALL 4737 CONCORD TPKE WILMINGTON DE 19803	CONCORD MALL FAST FOODS INC	302 477 9850
DISTRICT OF COLUMBIA - 1			
	WASHINGTON DC CONVENTION CENTER 1104 7TH STREET NW WASHINGTON, DC 20010	BEST FRANCHISE TWO LLC	240-671-4970
FLORIDA - 10			

State	Address	Franchisee	Phone Number
	FORT MEYERS INTERNATIONAL AIRPORT SOUTHWEST FLORIDA INT'L AIRPORT 1100 11000 TERMINAL ACCESS ROAD FORT MEYERS FL 33913	HMSHOST MARRIOTT SERVICES	239-482-3507
	JACKSONVILLE INTERNATIONAL AIRPORT 2400 YANKEE CLIPPER DRIVE JACKSONVILLE FL 32034	HMSHOST MARRIOTT SERVICES	904-741-0040
	JACKSONVILLE NAVY STATION 6801 ROOSEVELT BLVD JACKSONVILLE FL 32212	SEVEN HILLS, INC	904-771-7458
	MERRITT SQUARE MALL 777 E MERRITT CASEWAY MERRITT ISLAND FL 32952	B V S FOODS, INC	407-453-8151
	COLLINS STREET SOUTH BEACH 1668 COLLINS STREET MIAMI BEACH FL 33139	COMPASS GROUP USA, INC	305-284-5858
	MIAMI INTL AIRPORT T F CONCOURSE F, 3RD LEVEL MIAMI FL 33122	HMSHOST MARRIOTT SERVICES	305-869-1851

State	Address	Franchisee	Phone Number
	ORLANDO AIRPORT CENTRAL TERMINAL 9333 AIRPORT BLVD ORLANDO FL 32827	HMSHOST MARRIOTT SERVICES	407-844-2817
	WELLINGTON GREEN MALL 16535 SW FREEWAY SUITE 430 SUGARLAND TX 77479	VIVARIA FLORIDA LLC	786-239-1079
	CORAL SQUARE 9411 W ATLANTIC BLVD CORAL SPRINGS FL 33065	VIVARIA FLORIDA LLC	786-239-1079
	DOLPHIN MALL 11401 NW 12 TH STREET SUITE 118 MIAMI FL 33172	VIVARIA FLORIDA LLC	786-239-1079
GEORGIA - 2			
	NORTH GEORGIA OUTLETS 800 HWY 400 SOUTH DAWSONVILLE GA 30534	MSE BRANDED FOODS, INC	706-216-4131
	SOUTHLAKE MALL 1000 SOUTHLAKE MALL MORROW GA 30260	OHM FOOD LLC	404-358-5004
ILLINOIS – 25			

State	Address	Franchisee	Phone Number
	BELVIDERE OASIS TRAVEL PLAZA 210 PEARL STREET BELVIDERE IL 61008	BELVIDERE LATUS LLC	847-735-9900
	STRATFORD SQUARE 125 STRATFORD SQUARE BLOOMINGDALE IL 60108	MARIO AND ADELE ARMOCIDA	708-980-8581
	SOUTHERN ILLINOIS UNIVERSITY – STUDENT CENTER 1255 LINCOLN DRIVE CARBONDALE IL 62901	SOUTHERN ILLINOIS UNIVERSITY	618-453-3766
	DE PAUL CENTER MUSIC MART 333 S STATE STREET CHICAGO IL 60604	RAMP D, INC	847-735-1941
	FORD CITY MALL 7601 SOUTH CICERO AVENUE CHICAGO IL 06052	F&S FOODS INC	773-767-6860
	HARLEM-IRVING PLAZA 4202A N HARLEM AVENUE CHICAGO IL 60634	FRANJO LLC	708-362-0109
	ILLINOIS UNIV 1717 W POLK STREET CHICAGO IL 60635	F&S FOODS, INC	312-355-1420

State	Address	Franchisee	Phone Number
	MERCHANDISING MART – TONY & BRUNOS 222 MERCHANDISE MART PLAZA, UNIT #FC- 5 CHICAGO IL 60654	RAD, INC	
	WEST RANDOLPH ILLINOIS ATRIUM, 100 WEST RANDOLPH CHICAGO IL 60601	MARIO & ADELE ARMOCIDA	312-263-8615
	DEKALB OASIS 2700 CREGO ROAD DEKALB, IL 60015	DEKALB LATUS, LLC	847-404-1942
	AMERISTAR CASINO HOTEL EAST CHICAGO 777 RESORTS BLVD EAST CHICAGO IL 46312	FRANJO EAST CHICAGO LLC	219-397-6450
	EFFINGHAM TRAVEL CENTER I57 & I70 STATE RT 32 & 33, EXIT 160 EFFINGHAM IL 62401	TRAVEL CENTERS OF AMERICA	217-347-7183
	ST CLAIRE SQUARE 226 ST CLAIRE SQUARE HIGHWAY 50 AND 159 FAIRVIEW HEIGHTS, IL 62232	MARIO AND ADELE ARMOCIDA	708-980-8581

State	Address	Franchisee	Phone Number
	SEARS HOLDING 3333 BEVERLY ROAD HOFFMAN ESTATES, IL 60179	HOFFMAN ESTATES LATUS LLC	847-286-9970
	LAKE FOREST OASIS TRAVEL PLAZA 13783 W OASIS SERVICE ROAD LAKE FOREST IL 60045	LAKE FOREST LATUS LLC	847-735-9900
	YORKTOWN CENTRE 114 YORKTOWN ROAD LOMBARD IL 60108	MARIO AND ADELE ARMOCIDA	630-495-2755
	WESTERN ILLINOIS UNIVERSITY 1 UNIVERSITY CIRCLE MACOMB IL 61455	SODEXO AMERICA LLC	309-298-1292
	NORTHBROOK COURT TONY & BRUNOS 2274 NORTHBROOK COURT NORTHBROOK IL 60062	PETER OF NORTHBROOK, INC	708-498-4510
	ROSEMONT OUTLET MALL 5220 FASHION OUTLET WAY ROSEMONT IL 60502	MARIO AND ADELE ARMOCIDA	847-928-9660

State	Address	Franchisee	Phone Number
	OHARE OASIS TRAVEL PLAZA 10201 BELL PLAINE AVENUE SCHILLER PARK IL 60176	OHARE LATUS LLC	312-405-5202
	LINCOLN OASIS TRAVEL PLAZA 700 EAST TRI-STATE TOLL ROAD SOUTH HOLLAND IL 60473	LINCOLN LATUS LLC	847-928-9660
	ILLINOIS UNIV- CHAMPAIGN 1401 WEST GREEN STREET URBANA IL 61801	F&S FOODS INC	217-337-0100
	HAWTHORNE SQUARE 907 HAWTHORNE SQUARE SHOPPING CENTER VERNON HILLS IL 60061	RAD, INC	708-362-0109
	HINSDALE OASIS TRAVEL PLAZA 5800 W TRI STATE TOLL ROAD VERNON HILLS, IL 60601	HINSDALE LATUS LLC	847-928-9660
	CUCINOVA WESTMONT 800 EAST OGDEN AVENUE CHICAGO IL 60559	PIZZA VENTURES	630-246-2400
INDIANA - 1			

State	Address	Franchisee	Phone Number
	GLENBROOK SQUARE 4201 COLDWATER ROAD FORT WAYNE IN 46805	F&S FOODS, INC	219-483-4969
KENTUCKY - 1			
	ASHLAND TOWN CENTER 500 WINCHESTER AVENUE ASHLAND KY 41101	MOTZARONI LLC	606-231-1140
MAINE - 1			
	KENNEBUNK TRAVEL PLAZA MAINE TURNPIKE SOUTH MILE 25 SOUTH HANOVER MD 21076	HMSHOST MARRIOTT SERVICES	207-985-4817
MARYLAND - 3			
	UNIVERSITY OF MARYLAND STAMP UNION FOOD COURT 1150 SOUTH CAMPUS DINING HALL COLLEGE PARK MD 20742	UNIVERSITY OF MARYLAND	301-314-8071
	ARUNDEL MILLS MALL 7000 ARUNDEL MILLS CIRCLE HANOVER, MD 21076	HMSHOST MARRIOTT SERVICES	443-755-9900

State	Address	Franchisee	Phone Number
	PATUXENT RIVER NAVY BASE 22099 CUDDIHY ROAD, BUILDING 2369 PATUXENT RIVER MD 20670	RICE KING ENTERPRISES INC	301-863-2591
MASSACHUSETTS – 4			
	BOSTON LOGAN INTERNATIONAL AIRPORT TERMINAL A BOSTON MA 02128	BANGEL GROUPS INC	617-569-5409
	BOSTON LOGAN INTERNATIONAL AIRPORT 500 TERMINAL B BOSTON MA 02128	BANGEL GROUPS INC	617-561-0295
	BOSTON LOGAN INTERNATIONAL AIRPORT TERMINAL E BOSTON MA 02128	BANGEL GROUPS INC	617-569-5409
	WRENTHAM VILLAGE OUTLETS ONE PREMIUM OUTLETS BLVD WRENTHAM MA 02093	MSE BRANDED FOODS, INC	508-384-0904
MISSOURI - 2			
	ST LOUIS MILLS MALL HMS 5555 ST LOUIS MILLS BLVD HAZELWOOD MO 63042	MUZAFFAR LANGRIAL	314-227-5303

State	Address	Franchisee	Phone Number
	BATTLEFIELD MALL 2825 SOUTH GLENSTONE SPRINGFIELD MO 65804	CMIA LLC	314-835-0200
NEVADA - 1			
	SHOWCASE MALL 3785 S LAS VEGAS BLVD LAS VEGAS, NV 89109	SEVEN HILLS, INC	717-755-6798
NEW JERSEY – 10			
	JERSEY GARDENS MALL 1 651 KAPKOWSKI ROAD ELIZABETH NJ 07201	HMSHOST MARRIOTT SERVICES	908-282-4800
	FORKED RIVER TRAVEL PLAZA GARDEN STATE PARKWAY MILE MARKER 75 5 FORKED RIVER NJ 08731	HMSHOST MARRIOTT SERVICES	609-693-8275
	HOBOKEN TRAIN STATION ONE HUDSON PLACE HOBOKEN NJ 07030	GATEWAY PIZZA LLC	201-216-0888
	JACKSON PREMIUM OUTLET 537 MONMOUTH ROAD JACKSON NJ 08527	JOSEPH ZITO	732-833-8090

State	Address	Franchisee	Phone Number
	JOYCE KILMER TRAVEL PLAZA NEW JERSEY TURNPIKE BETWEEN 8A AND 9 NORTH, MILE MARKER 78 7, MILLTOWN NJ 08850	HMSHOST MARRIOTT SERVICES	732-254-4225
	MONTVALE TRAVEL PLAZA GARDEN STATE PARKWAY MILE MARKER 173 MONTVALE NJ 07645	HMSHOST MARRIOTT SERVICES	201-391-8509
	RUTGERS UNIVERSITY LIVINGSTON LIVINGSTON COLLEGE STUDENT CENTER 84 JOYCE KILMER AVENUE PISCATAWAY NJ 08854	RUTGERS UNIVERSITY	732-445-2779
	SECAUCUS JUNCTION TRAIN STATION 100 LAUREL HILL DRIVE SECAUCUS NJ 07094	GATEWAY PIZZA LLC	201-656-2100
	CHEESEQUAKE TRAVEL PLAZA GARDEN STATE PARKWAY MILE POST 124 SOUTH AMBOY NJ 08879	HMSHOST MARRIOTT SERVICES	732-525-0306

State	Address	Franchisee	Phone Number
	THOMAS EDISON TRAVEL PLAZA NEW JERSEY TURNPIKE SOUTH MILE POST 92 9 WOODBIDGE, NJ 07095	HMSHOST MARRIOTT SERVICES	732-750-8779
NEW YORK - 10			
	SOUTH SHORE MALL 1701 SUNRISE HIGHWAY, FC #8 BAY SHORE NY 11706	H&O PIZZA	631-665-2000
	CHITTENANGO TRAVEL PLAZA 2188 TAG ROAD CANASTOTA NY 13032	HMSHOST MARRIOTT SERVICES	315-687-0015
	CLIFTON SPRINGS TRAVEL PLAZA NEW YORK THRUWAY 3236 ROUTE 96 WEST CLIFTON SPRINGS NY 14432	HMSHOST MARRIOTT SERVICES	315-462-9765
	ONEIDA TRAVEL PLAZA NEW YORK STATE THRUWAY 5365 STATE RT #233, MILE POST 244 EAST WESTMORELAND NY 13490	HMSHOST MARRIOTT SERVICES	315-853-3605
	HOFSTRA UNIVERSITY 100 FULTON AVENUE HEMPSTEAD NY 11549	COMPASS GROUP USA, INC	516-463-5941

State	Address	Franchisee	Phone Number
	SLOATSBURG TRAVEL PLAZA NEW YORK STATE THRUWAY MILE MARKER 33 NORTH SLOATSBURG NY 10974	HMSHOST MARRIOTT SERVICES	845-753-2701
	SYRACUSE UNIVERSITY GOLDSTEIN STUDENT CENTER SKYTOP ROAD SYRACUSE NY 13244	SYRACUSE UNIVERSITY	315-443-1514
	SYRACUSE UNIVERSITY BROCKWAY FOOD COURT SYRACUSE NY 13244	SYRACUSE UNIVERSITY	315-443-3060
	SYRACUSE UNIVERSITY CARRIER DOME KIOSK SYRACUSE NY	SYRACUSE UNIVERSITY	315-443-4020
	SYRACUSE UNIVERSITY KIMMEL FOOD COURT 311 WAVERLY AVENUE SYRACUSE NY 13244	SYRACUSE UNIVERSITY	315-443 3113
NORTH CAROLINA - 3			
	CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT 5501 JOSH BIRMINGHAM PKWY #13 CHARLOTTE NC 28214	HMSHOST MARRIOTT SERVICES	704-359-4995
	WELLS FARGO CHARLOTTE 1525 WEST WT HARRIS BLVD CHARLOTTE NC 28262	COMPASS GROUP USA, INC	704-590-4737

State	Address	Franchisee	Phone Number
	CENTRAL PIEDMONT COMMUNITY COLLEGE 1206 ELIZABETH AVENUE CHARLOTTE NC 28204	FAW ENTERPRISES DBA SBTDAM, INC	704-579-1939
OHIO – 7			
	COMMODORE PERRY TRAVEL PLAZA 888 NORTH COUNTY ROAD 260 CLYDE OH 43410	HMSHOST MARRIOTT SERVICES	419-547-4717
	ERIE ISLAND TRAVEL PLAZA OHIO TURNPIKE 1012 NORTH COUNTY ROAD 260 CLYDE OH 43410	HMSHOST MARRIOTT SERVICES	419-547-4409
	MOUNT CARMEL HOSPITAL 793 WEST STATE STREET COLUMBUS OH 43222	MICHAEL FORBES	614-280-0734
	HEBRON TRAVEL CENTER 10672 LANCASTER RD, SE HEBRON, OH 43235	TRAVEL CENTERS OF AMERICA	614-467-2900
	INDIAN MEADOW TRAVEL PLAZA 21738 CO RD M-50 WEST UNITY, OH 43570	HMSHOST MARRIOTT SERVICES	419-924-2393

State	Address	Franchisee	Phone Number
	TIFFIN RIVER TRAVEL PLAZA 21747 CO RD M WEST UNITY, OH 43570	HMSHOST MARRIOTT SERVICES	419-924-5389
	FRANKLIN PARK SHOPPING CENTER 5001 MONROE STREET FC6 TOLEDO OH 43623	SB4919 LLC	925 984-9303
OKLAHOMA - 1			
	SHAWNEE MALL 4901 NORTH KICKAPOO SHAWNEE OK 74801	TRINITY FOOD GROUP OF OKLAHOMA LLC	405-273-1913
PENNSYLVANIA - 8			
	SOUTH MIDWAY TRAVEL PLAZA PENNSYLVANIA TURNPIKE EXIT 146 EASTBOUND MILEPOST 147 3 BEDFORD PA 15522	HMSHOST MARRIOTT SERVICES	814-612-8011
	CAPITAL CITY MALL 3449 CAPITAL MALL DRIVE CAMP HILL PA 17011	SEVEN HILLS INC	717-763-9101
	PHILADELPHIA AIRPORT TERMINAL E 8000 ESSINGTON AVENUE PHILADELPHIA PA 19153	SEVEN HILLS INC	

State	Address	Franchisee	Phone Number
	PHILADELPHIA AIRPORT TERMINAL F 8000 ESSINGTON AVENUE PHILADELPHIA PA 19153	SEVEN HILLS LLC	
	PHILADELPHIA MILLS MALL FOOD COURT 1455 FRANKLIN MILLS CIRCLE FC #1 PHILADELPHIA PA 19154	CONSORTIUM FOOD GROUP LLC	215-637-4729
	PENN STATE-HUB- ROBESON CENTER 28 HUB-ROBESON CENTER UNIVERSITY PARK PA 16802	THE PENNSYLVANIA STATE UNIVERSITY	814-865-7623
	WASHINGTON CROWN CENTER 1500 WEST CHESTNUT STREET WASHINGTON PA 15301	OBREE, LLC	724-229-8766
	YORK GALLERIA MALL 2852 WHITEFORD ROAD YORK PA 17402	SEVEN HILLS INC	717-755-6798
RHODE ISLAND - 3			

State	Address	Franchisee	Phone Number
	TWIN RIVER CASINO 1ST FLOOR 100 TWIN RIVER ROAD LINCOLN RI 02865-4835	SAPTAGIRI, LLC	401-475-6755
	TWIN RIVER CASINO 2ND FLOOR 100 TWIN RIVER ROAD LINCOLN RI 02865	SAPTAGIRL LLC	401-475-2259
	WARWICK MALL 400 BALD HILL ROAD SUITE FC#3 WARWICK, RI 02886	CONSORTIUM FOOD GROUP LLC	401 681-4811
SOUTH CAROLINA - 1			
	GRAND COASTAL MALL 2000 GRAND COASTAL CIRCLE MYRTLE BEACH SC 29577	MSE BRANDED FOODS, INC	843-445-2587
TENNESSEE - 1			
	COMMERCE STREET 200 COMMERCE STREET NASHVILLE TN 37201	F&S FOODS, INC	615-256-7393
TEXAS – 5			
	TEXAS TECH UNVIERSITY DOAK HALL LUBBOCK TX 79409	TEXAS TECH UNIVERSITY	806-786-2925

State	Address	Franchisee	Phone Number
	SAN ANTONIO INTERNATIONAL AIRPORT 9800 AIRPORT BOULEVARD SAN ANTONIO TX 78216	SEVEN HILLS, INC	210-265-3946
	HOUSTON GALLERIA 5015 WESTHEIMER ROAD SUITE 104 HOUSTON TX 77056	GASTRONOMICA DESARROLLADORA	154-993-0328
	FIRST COLONY MALL 16535 SW FREEWAY SUITE 430 SUGARLAND TX 77479	GASTRONOMICA DESARROLLADORA	154-993-0328
	MEMORIAL CITY 634 MEMORIAL CITY WAY HOUSTON TX 77024	GASTRONOMICA DESARROLLADORA	154-993-0328
VIRGINIA - 4			
	PENTAGON 2025 2025 CONCESSIONS PENT ARLINGTON VA 20310	SEVEN HILLS INC	703-920-6460

State	Address	Franchisee	Phone Number
	UNIVERSITY OF VIRGINIA OBSERVATORY HILL DINING FACILTY CORNER ALDERMAN AND MCCORMICK CHARLOTTESVILLE VA 22904	ARAMARK CORPORATION	434-982-5041
	MANASSAS MALL 8300 SUDLEY ROAD MANASSAS VA 20109	BEST FRANCHISE LLC	571-229-9187
	LITTLE CREEK NAVAL BASE NAVAL EXCHANGE COMMISARY 1170 AMPHIBIOUS DRIVE VIRGINIA BEACH VA 23545	BELLE FUTURES, INC	757-460-1472
WASHINGTON - 1			
	SEATTLE TACOMA INT AIRPORT ROOM 202 SEATTLE WA 98158	HMSHOST MARRIOTT SERVICES	206-433-5614
WEST VIRGINIA – 3			
	BECKLEY TRAVEL PLAZA WEST VIRGINIA TURNPIKE MILEMAKER 45 SOUTH BECKLEY WV 25801	HMSHOST MARRIOTT SERVICES	304-255-6773

State	Address	Franchisee	Phone Number
	WEST VIRGINIA UNIVERSITY 1550 UNIVERSITY AVENUE MORGANTOWN WV 25801	WEST VIRGINIA UNIVERSITY	
	MORGANTOWN CENTER 9500 MALL ROAD WESTOVER WV 26505	GROVERS, INC	304-983-6729

**Exhibit K to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

LIST OF CLOSED OUTLETS

CLOSED OUTLETS

The name and last known home address and telephone number of every Franchisee within the United States who has had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who has not communicated with Sbarro within 10 weeks of the date of this Disclosure Document is listed below

Store Name	Street	City	State	Franchisee	Phone Number
Boston Logan International Terminal C	300 Terminal C	Boston	MA	Bangel Groups Inc	781-389-7634
McCarran International Airport Las Vegas	5757 Wayne Newton Blvd	Las Vegas	NV	HMSHost	240-694-4342
56 th Street	42 West 56 th Street	New York	NY	Sabitha Corp	646-574-6640
Paramus Park Mall	700 Paramus Park	Paramus	NJ	Eddie Abraham	201-724-7097
Minneapolis St Paul International	Fort Snelling Unorganized Territory	St Paul	MN	HMSHost	240-694-4342
James Madison University	800 S Main Street 0902 Gibbons Hall	Harrisonburg	VA	Aramark Corporation	215-238-4013
Battlefield Mall	2825 South Glenstone Space VC-02	Springfield	MO	Jeff Sly	417-861-4551
Cypress College	6200 Valley View Street	Cypress	CA	Vincent Boon/Hoo Yee and Winnie Yee	714-740-4485
Colonial Park Mall	Route 22 & Colonial Road	Harrisburg	PA	Seven Hills, Inc	717-909-0580
Washington Navy Yard	1244 Patterson Avenue SE Building 22	Washington Naval Yard	DC	Rice King Enterprises Inc	757-362-1680
Fifth Avenue Arcade	Liberty Place 213	Pittsburgh	PA	Angelo Parente	412-608-9308
Portland State University	Student Center	Portland	OR	Aramark Educational Services LLC	215-238-4013
Stones River Crossing	1720 Old Fort Parkway	Murfreesboro	TN	F & S Foods Inc	630-834-9393

**Exhibit M to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

EXHIBIT M-1

STATE DIFFERENCES CALIFORNIA

1 The terms set forth in this Franchise Disclosure Document have not been negotiated with other franchisees during the previous 12 months

2 The Cover Page of this Franchise Disclosure Document states "The total investment necessary to begin operation of a Sbarro Restaurant franchised business is between \$318,200 and \$704,800" Please note that the total such investment for an inline shopping center unit is between \$352,500 to \$704,800 and the total such investment for a food court unit is \$318,200 to \$633,500

3 The due diligence fee referenced to in Item 5 I of the Franchise Disclosure Document will comply with Section 31119(a) of the California Corporations Code and consequently will not be paid until after 14 calendar days from the date the prospective franchisee has received a copy of this Franchise Disclosure Document

4 With respect to Item 6 of the Franchise Disclosure Document, please note that the highest interest rate allowed by law in California is 10% annually

5 The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the offering circular

6 Neither the franchisor, nor any person or franchise broker in Item 2 of the FDD 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 such persons from membership in such association or exchange

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

8 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)

9 The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under California law

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

11 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

12 The franchise agreement requires application of the laws of Ohio. This provision may not be enforceable under California law

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

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

15 The financial performance representation figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information

16 Our website has not been reviewed or approved by the California Department of Business Oversight. Any complaints concerning the contents of the website may be directed to the California Department of Business Oversight at www.dbo.ca.gov

EXHIBIT M-2

STATE DIFFERENCES ILLINOIS

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

THIS ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum"), is made as of the ____ day of _____, 20__, at Columbus, Ohio between **SBARRO FRANCHISE CO , LLC** an Ohio limited liability company with headquarters located at 1328 Dublin Road, Columbus, Ohio 43215 ("Franchisor"), and _____, a _____ ("Franchisee"), to the Franchise Agreement with Franchisee dated as of today's date (the "Agreement")

Background

Pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a restaurant franchise at _____ (the "Restaurant"), and

The laws of Illinois require the execution of this Addendum in connection with the execution of the Agreement,

Accordingly, the parties agree to the terms below

Agreement

1 Amendment The terms of the Agreement are amended as follows

1 1 Jurisdiction The following language is added to Section 26(f)

To the extent that the Illinois Franchise Disclosure Act (the "Act") provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois, the provisions of the Illinois Franchise Disclosure Act shall control. The provisions in this Agreement and similar provisions in other documents executed in connection with this Agreement requiring application of the laws of the State of Ohio may not be applicable to the extent they conflict with the Illinois Franchise Disclosure Act

1 2 Waiver The following language is added to Section 26(h)

Any condition, stipulation, or provision of this Agreement purporting to bind Franchisee to waive compliance with any provision of the Act or any other law of Illinois is void to the extent required by Illinois law

1.3 Periods of limitation The following language is added to Paragraph 28(h)

Notwithstanding anything to the contrary, and to the extent required by Illinois law, no action shall be maintained under the Act, 815 ILCS 705/26 to enforce any liability created by the Act unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of one year after Franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to Franchisee of a written notice disclosing the violation, whichever shall first expire

2 Sublease In Exhibit C to the Franchise Agreement, Sublease Agreement, paragraph 15.1 the following language is added

The requirement to apply Ohio law may not be applicable to the extent it conflicts with the Illinois Franchise Disclosure Act

3 Supplemental This Addendum is supplemental to and part of the Agreement. All the Agreement's terms and provisions, as amended above, remain effective on and after the date of this Addendum, as they may be later amended, supplemented, or otherwise modified from time to time

SBARRO FRANCHISE CO , LLC

[FRANCHISEE]

By _____
Name _____
Its _____

By _____
Name _____
Its _____

EXHIBIT M-3

STATE DIFFERENCES MINNESOTA

RIDER TO FRANCHISE DISCLOSURE DOCUMENT – MINNESOTA

1 The following language is added as an additional Risk Factor on the cover page of the Franchise Disclosure Document

MINNESOTA STATUTES §80C 21 AND MINNESOTA RULE 2860 4400J CURRENTLY PROHIBIT LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA

2 The following language is added to Item 13

The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of Franchisor's registered trademark infringes trademark rights of the third party. Franchisor is not required to indemnify Franchisee for its use of Franchisor's trademark unless such use is in accordance with the requirements of the Franchise Agreement. As a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim within 10 days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisee must cooperate in the defense as reasonably required and Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

3 The following language is added to Item 17

Liquidated damages provisions are not enforceable under Minnesota law

4 The following Sections are added to Item 17

Minnesota Statute 80C 14, Subd 5 states, "It is unfair and inequitable for a person to unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular franchisor."

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn Stat Sec 80C 14, subds 3, 4 and 5 which require except in certain specified cases, that Franchisee be given 90-days' notice of termination (with 60 days to cure) and 180-days' notice for nonrenewal of the Franchise Agreement.

5 The following language is added to Item 17

This section shall in no way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota

6 The following language is added to Item 17

This section shall in no way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes 1984, Chapter 80(C), including the right to a jury trial

7 The following language is added to Item 17

Notwithstanding any requirement for litigation to be conducted in Ohio, litigation may be brought in Minnesota to the extent required by Minnesota law

8 The following language is added to Item 17

Minnesota Rule 2860 4400(D) provides that a franchisee may not be required to assent to a release that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, sections 80C 01 to 80C 22

9 The following language is added to Item 17

Minnesota Rule 2860 4400(J) provides that a court shall decide whether bond is required as a condition to entry of a temporary or permanent injunction

10 In addition to the Franchise Agreement, in the form attached as Exhibit A, Minnesota franchisees will sign a Minnesota Addendum in the form attached to this Exhibit M-3

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

THIS MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum"), is made as of the ____ day of _____, 20__, at Columbus, Ohio between **SBARRO FRANCHISE CO, LLC** an Ohio limited liability company with headquarters located at 1328 Dublin Road, Columbus, Ohio 43215 ("Franchisor"), and _____, a _____ ("Franchisee"), to that certain Franchise Agreement dated as of even date herewith (the "Agreement")

WITNESSETH

WHEREAS, pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a restaurant franchise at _____ (the "Restaurant"), and

WHEREAS, the laws of the state of Minnesota require the execution of this Addendum in connection with the execution of the Agreement,

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows

11 Amendment The terms of the Agreement are amended as follows

11.1 Indemnification The following language is added to Section 17

(h) The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of Franchisor's registered trademark infringes trademark rights of the third party. Franchisor is not required to indemnify Franchisee for its use of Franchisor's trademark unless such use is in accordance with the requirements of the Franchise Agreement. As a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim within 10 days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisee must cooperate in the defense as reasonably required and Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

11.2 Consent The following language is added to Section 25

(j) Minnesota Statute Minnesota Statute 80C 14, Subd 5 states, "It is unfair and inequitable for a person to unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular franchisor"

11 3 Notice The following language is added to Section 22

(g) Minnesota Requirement With respect to franchises governed by Minnesota law, Franchisor will comply with Minn Stat Sec 80C 14, subds 3, 4 and 5 which require except in certain specified cases, that Franchisee be given 90-days' notice of termination with 60 days to cure (subject to the exceptions in the Rule 2860 4400(E)(2)(a)-(c)) and 180-days' notice for nonrenewal of the Franchise Agreement

11 4 Jurisdiction The following language is added to Section 26(f)

This section shall in no way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to the jurisdiction of the courts of Minnesota

11 5 Jury Trial The following language is added to Section 26(h)

This section shall in no way abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes 1984, Chapter 80(C), including the right to a jury trial

11 6 Forum The following language is added to Section 26(f)

Notwithstanding any requirement for litigation to be conducted in Ohio, litigation may be brought in Minnesota to the extent required by Minnesota law

11 7 Release The following language is added to Section 25(e)(vii)

Minnesota Rule 2860 4400(D) provides that a franchisee may not be required to assent to a release that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, sections 80C 01 to 80C 22

11 8 Bond The following language is added to Section 26(a)

Minnesota Rule 2860 4400(J) provides that a court shall decide whether bond is required as a condition to entry of a temporary or permanent injunction

12 Supplemental Agreement This Addendum is supplemental to and part of the Agreement All the Agreement's terms and provisions, as amended above, shall remain effective on and after the date written above, as they may be later amended, supplemented, or otherwise modified from time to time

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum

SBARRO FRANCHISE CO , LLC

[FRANCHISEE]

By _____
Name _____
Its _____

By _____
Name _____
Its _____

EXHIBIT M-4

STATE DIFFERENCES NEW YORK

RIDER TO FRANCHISE DISCLOSURE DOCUMENT – NEW YORK

- 1 The following language is added to Item 3, LITIGATION

Neither the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark

- A Has an administrative, criminal or civil action pending against that person alleging a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations nor any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations
- B Has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of a or pleaded *nolo contendere* to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations
- C Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting

a license as a real estate broker or sales agent

2 The following language is added to Item 4, BANKRUPTCY

Except as set forth herein, neither the franchisor, its affiliates, its predecessor, officers, or general partner during the 10-year period immediately before the date of this FDD

- (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

3 The following language is added to Item 5

The initial franchise fee is used by franchisor to meet its pre-opening obligations to provide goods or services in connection with establishing the franchise business as set forth in this FDD

4 The following language is added to Item 17, RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

(d) Termination by franchisee The franchisee may terminate the agreement on any grounds available by law

(j) Assignment However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement

(w) Choice of Law The foregoing choice of law provisions should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business law of the state of New York

In addition to the Franchise Agreement, in the form attached as Exhibit A, New York franchisees will sign a New York Addendum in the form attached to this Exhibit M-4

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

THIS NEW YORK ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum"), is made as of the ____ day of _____, 20__, at Columbus, Ohio between **SBARRO FRANCHISE CO, LLC** an Ohio limited liability company with headquarters located at 1328 Dublin Road, Columbus, Ohio 43215 ("Franchisor"), and _____, a _____ ("Franchisee"), to that certain Franchise Agreement dated as of even date herewith (the "Agreement")

WITNESSETH

WHEREAS, pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a restaurant franchise at _____ (the "Restaurant"), and

WHEREAS, the laws of the state of New York require the execution of this Addendum in connection with the execution of the Agreement,

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows

1 Amendment The terms of the Agreement are amended as follows

1.1 The following language is hereby added to Section 4 of the Agreement

Notwithstanding the foregoing, the Franchisee may terminate this Agreement on any grounds available by applicable law

1.2 The following language is hereby added to Section 25 of the Agreement

However, no assignment of this Agreement will be made except to an assignee who, in the good faith and judgment of Franchisor, is willing and financially able to assume Franchisor's obligations under this Agreement

1.3 The following language is hereby added to Section 26 of the Agreement

The foregoing choice of law provision should not be considered a waiver of any right conferred upon Franchisor or upon Franchisee by Article 33 of the General Business Law of the State of New York

2 Supplemental Agreement This Addendum is supplemental to and part of the Agreement. All the Agreement's terms and provisions, as amended above, shall remain effective on and after the date written above, as they may be later amended, supplemented, or otherwise modified from time to time

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum

SBARRO FRANCHISE CO , LLC

[FRANCHISEE]

By _____
Name _____
Its _____

By _____
Name _____
Its _____

EXHIBIT M-5

STATE DIFFERENCES NORTH DAKOTA

RIDER TO FRANCHISE DISCLOSURE DOCUMENT – NORTH DAKOTA

17 Item 17(c) of the Franchise Disclosure Document and Section 3 of the Franchise Agreement require the franchisee to sign a release of claims upon renewal of the franchise agreement. These provisions may not be enforceable under North Dakota law.

18 Item 17(r) of the Franchise Disclosure Document and Section 24 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which franchisees must agree. Covenants not to compete are generally considered unenforceable in the State of North Dakota.

19 Item 17(v) of the Franchise Disclosure Document and Section 26 of the Franchise Agreement provide that the franchisee must consent to the jurisdiction of the courts of the State of Ohio. These provisions may not be enforceable under North Dakota law.

20 Item 17(w) of the Franchise Disclosure Document and Section 26 of the Franchise Agreement require application of the laws of the State of Ohio. These provisions may not be enforceable under North Dakota law.

21 Section 26 of the Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This provision may not be enforceable under North Dakota law.

22 Section 26 of the Franchise Agreement requires the franchisee to consent to a waiver of exemplary and punitive damages. These provisions may not be enforceable under North Dakota law.

23 In addition to the Franchise Agreement, in the form attached as Exhibit A, North Dakota franchisees will sign the North Dakota Addendum to Franchise Agreement, in the form attached to this Exhibit M-5.

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

THIS NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum"), is made as of the ____ day of _____, 20__, at Columbus, Ohio between **SBARRO FRANCHISE CO, LLC** an Ohio limited liability company with headquarters located at 1328 Dublin Road, Columbus, Ohio 43215 ("Franchisor"), and _____, a _____ ("Franchisee"), to that certain Franchise Agreement dated as of even date herewith (the "Agreement")

WITNESSETH

WHEREAS, pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a restaurant franchise at _____ (the "Restaurant"), and

WHEREAS, the laws of the state of North Dakota require the execution of this Addendum in connection with the execution of the Agreement,

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows

1 Amendment The terms of the Agreement are amended as follows

1 1 Release The following language is added to Section 3 of the Franchise Agreement

Notwithstanding the forgoing, your obligation to provide a general release upon renewal of your Franchise Agreement may not be enforceable under the laws of North Dakota

1 2 Covenants Not to Compete The following language is added to Section 24 of the Franchise Agreement

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota

1 3 Forum and Choice of Law The following language is added to Section 26 of the Franchise Agreement

Notwithstanding any provision herein or in any document executed in connection herewith providing for litigation or arbitration to be conducted in Ohio, litigation or arbitration may be brought in North Dakota to the extent required by North Dakota law. The provision herein and similar provisions in other documents executed in connection herewith requiring application of the laws of the State of Ohio may not be applicable to the extent they conflict with North Dakota law

1 4 Jury Trial The following language is added to Section 26 of the Franchise Agreement

Under current North Dakota law, Franchisee may have the right to demand a trial by jury hereunder or under any document executed in connection herewith

1 5 Certain Damages The following language is added to Section 26 of the Franchise Agreement

The provisions of this Section requiring Franchisee to consent to a waiver of exemplary and punitive damages may not be enforceable under current North Dakota law

2 Supplemental Agreement This Addendum is supplemental to and part of the Agreement All the Agreement's terms and provisions, as amended above, shall remain effective on and after the date written above, as they may be later amended, supplemented, or otherwise modified from time to time

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum

SBARRO FRANCHISE CO , LLC

[FRANCHISEE]

By _____
Name _____
Its _____

By _____
Name _____
Its _____

EXHIBIT M-6

STATE DIFFERENCES WASHINGTON

RIDER TO FRANCHISE DISCLOSURE DOCUMENT – WASHINGTON

In addition to the Franchise Agreement and Development Agreement (if applicable), in the form attached as Exhibit A and Exhibit G, Washington franchisees will sign a Washington Addendum in the applicable form attached to this Exhibit M-6

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

THIS WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum"), is made as of the ____ day of _____, 20__, at Columbus, Ohio between **SBARRO FRANCHISE CO, LLC** an Ohio limited liability company with headquarters located at 1328 Dublin Road, Columbus, Ohio 43215 ("Franchisor"), and _____, a _____ ("Franchisee"), to that certain Franchise Agreement dated as of even date herewith (the "Agreement")

WITNESSETH

WHEREAS, pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a restaurant franchise at _____ (the "Restaurant"), and

WHEREAS, the laws of the state of Washington require the execution of this Addendum in connection with the execution of the Agreement,

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows

1 Amendment The terms of the Agreement are amended as follows

1 1 The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19 100 180 (the "Act"), which may supersede the Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of the franchise. There may also be court decisions which may supersede the franchise agreement in Franchisee's relationship with Franchisor, including the areas of termination and renewal of the franchise.

1 2 In any arbitration involving a franchise purchased in Washington, to the extent required by applicable law, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon by Franchisor and Franchisee at the time of the arbitration, or as determined by the arbitrator.

1 3 In the event of a conflict of laws, the provisions of the Act shall prevail.

1 4 A release or waiver of rights executed by Franchisee shall not include rights under the Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as right to a jury trial may not be enforceable.

1 5 Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

2 Supplemental Agreement This Addendum is supplemental to and part of the Agreement. All the Agreement's terms and provisions, as amended above, shall remain effective on and after the date written above, as they may be later amended, supplemented, or otherwise modified from time to time.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum

SBARRO FRANCHISE CO , LLC

[FRANCHISEE]

By _____
Name _____
Its _____

By _____
Name _____
Its _____

WASHINGTON ADDENDUM TO DEVELOPMENT AGREEMENT

THIS WASHINGTON ADDENDUM TO DEVELOPMENT AGREEMENT (the "Addendum"), is made as of the ____ day of _____, 20__, at Columbus, Ohio between **SBARRO FRANCHISE CO, LLC** an Ohio limited liability company with headquarters located at 1328 Dublin Road, Columbus, Ohio 43215 ("Sbarro"), and _____, a _____ ("Developer"), to that certain Development Agreement dated as of even date herewith (the "Agreement")

WITNESSETH

WHEREAS, pursuant to the Agreement, Developer has obtained from Sbarro the right to develop certain restaurants, and

WHEREAS, the laws of the state of Washington require the execution of this Addendum in connection with the execution of the Agreement,

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows

1 Amendment The terms of the Agreement are amended as follows

1.1 The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19 100 180 (the "Act"), which may supersede the Agreement in Developer's relationship with Sbarro including the areas of termination and renewal of the franchise. There may also be court decisions which may supersede the franchise agreement in Developer's relationship with Sbarro, including the areas of termination and renewal of the franchise.

1.2 In any arbitration involving a franchise purchased in Washington, to the extent required by applicable law, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon by Sbarro and Developer at the time of the arbitration, or as determined by the arbitrator.

1.3 In the event of a conflict of laws, the provisions of the Act shall prevail.

1.4 A release or waiver of rights executed by Developer shall not include rights under the Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as right to a jury trial may not be enforceable.

1.5 Transfer fees are collectable to the extent that they reflect the Sbarro's reasonable estimated or actual costs in effecting a transfer.

2 Supplemental Agreement This Addendum is supplemental to and part of the Agreement. All the Agreement's terms and provisions, as amended above, shall

remain effective on and after the date written above, as they may be later amended, supplemented, or otherwise modified from time to time

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum

SBARRO FRANCHISE CO , LLC

[DEVELOPER]

By _____
Name _____
Its _____

By _____
Name _____
Its _____

**Exhibit N to
Sbarro Franchise Co , LLC
Franchise Disclosure Document**

RECEIPTS

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Sbarro Franchise Co, LLC offers you a franchise, Sbarro Franchise Co, LLC must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement or before any payment to Sbarro Franchise Co, LLC or an affiliate in connection with the proposed franchise sale. Under Michigan and Wisconsin law, Sbarro Franchise Co, LLC must provide this Disclosure Document to you 10 business days before you sign any contract or make any payment relating to the franchise relationship. Under New York law and Oklahoma law, Sbarro Franchise Co, LLC must provide this Disclosure Document to you at the earliest of the first personal meeting or 10 business days before you sign any contract or make any payment relating to the franchise relationship.

If Sbarro Franchise Co, LLC 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 and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the appropriate state agency listed in Exhibit I.

The name, principal business address and telephone number of each franchise seller(s) involved in offering this franchise to you is(are) Greg Danziger, Sbarro Franchise Co, LLC, 1328 Dublin Road, Columbus, OH 43215, Ph (313) 595-7870 and _____.

Issuance Date * _____

Sbarro authorizes its registered agents listed in Exhibit H to receive service of process for Sbarro.

I have received a Franchise Disclosure Document dated*_____ State registration effective dates are listed on the State Registrations page. The Disclosure Document included the following Exhibits:

- | | |
|--|---|
| (A) Franchise Agreement | (H) Agents for Service of Process |
| (B) Asset Sale Agreement | (I) State Regulatory Authorities |
| (C) Sublease Agreement | (J) List of Outlets |
| (D) Confidentiality Agreement For
Disclosure of Manuals | (K) List of Closed Outlets |
| (E) Confidentiality Agreement – Employee | (L) Financial Statements |
| (F) Standard Franchise Application | (M) State Addenda to the Disclosure
Document |
| (G) Development Agreement | (N) Receipts (duplicate) |

Prospective Franchisee's Signature

Date

Print Name

Franchisee Address

Prospective Restaurant Location Address
(City, State)

**PLEASE SIGN AND DATE THIS PAGE, AND RETAIN THIS PAGE IN YOUR
POSSESSION AS PART OF YOUR RECORDS**

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Prospective Franchisee Signature

Date

Print Name

Franchisee Address

Prospective Restaurant Location Address
(City, State)

**PLEASE REMOVE THIS PAGE, SIGN AND DATE THIS PAGE, AND RETURN THIS PAGE TO
SBARRO FRANCHISE CO , LLC FRANCHISE DEPARTMENT
1328 Dublin Road, Columbus, OH 43215**