

FRANCHISE DISCLOSURE DOCUMENT



MP Coney Island Franchising, LLC
a Pennsylvania limited liability company
2712 Wilmington Road
New Castle, PA 16105
(724) 986-8548
contact@mpconeyisland.com
www.mpconeyisland.com

As an MP CONEY ISLAND franchisee, you will operate an MP CONEY ISLAND family-friendly fast casual restaurant offering hot dogs, hamburgers and french fries (featuring our proprietary chili sauce).

The total investment necessary to begin operation of an MP CONEY ISLAND restaurant ranges from \$178,900 to \$375,000. This includes \$35,000 that must be paid to the franchisor. The total investment necessary to obtain area development rights for an MP CONEY ISLAND area development business ranges from \$28,000 to \$98,000 (for 2 to 7 restaurants beyond the 1st restaurant), all of which must be paid to the franchisor.

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, franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact John Mitsos, at jmitsos@mpconeyisland.com, or at 2712 Wilmington Road, New Castle, PA 16105, (724) 944-1955.

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

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

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

Issuance Date: August 6, 2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Pennsylvania. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Pennsylvania than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support you.

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

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MARYLAND STATE ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

EXHIBITS:

A	Franchise Agreement, State Riders and Attachments
B	Area Development Agreement, State Riders and Attachments
C	Franchisee/Area Developer Questionnaire
D	Manager/Supervisor Confidentiality and Non-Competition Agreement
E	Sample General Release
F	Financial Statements
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J	Receipts

Item 1

FRANCHISOR, AND ANY PARENT, PREDECESSORS AND AFFILIATES

For ease of reference in this disclosure document, the franchisor is referred to as “we,” “us” or “our,” and the person who is considering the franchise is referred to as “you” or “your.” If you are a legal entity, certain provisions of the franchise agreement, area development agreement and attachments apply to your shareholders, officers, directors, members and partners. These provisions are noted.

Franchisor

The franchisor is MP Coney Island Franchising, LLC, a Pennsylvania limited liability company that was formed on September 29, 2021. We do business as MP Coney Island. We do not do business or intend to do business under any other name. Our principal business address is 2712 Wilmington Road, New Castle, PA 16105. Our agents for service of process are William Mitsos and Angelo Mitsos, 2712 Wilmington Road, New Castle, PA 16105.

Our Business

We offer franchises for MP CONEY ISLAND restaurants. We also offer area development rights that permit the development of stated numbers of MP CONEY ISLAND restaurants in designated geographic areas. We have no other business activities.

Our Experience

We began offering MP CONEY ISLAND franchises in January 2022. We have not operated a business of the type being franchised. However, see Our Parents, Predecessors and Affiliates below for information on the MP CONEY ISLAND restaurant operated in New Castle, PA by one of our affiliates. We have not engaged in any other line of business, and have not offered franchises in any other line of business.

The Franchise

A MP CONEY ISLAND restaurant is a family-friendly fast casual restaurant offering hot dogs, hamburgers and french fries (featuring our proprietary chili sauce).

You must operate your MP CONEY ISLAND restaurant according to our standards and specifications, and must sign our standard franchise agreement and attachments (Exhibit A).

MP CONEY ISLAND restaurants compete with local, regional and national businesses (including other franchised businesses) offering hot dogs, hamburgers and french fries (featuring our proprietary chili sauce), and beverages. The market for fast casual foods and beverages is well-developed in most areas of the United States. Before signing a franchise agreement, you should survey your market to determine the number and quality of competitors.

Area Development Rights

We also grant area development rights under which area developers will develop a pre-agreed number of MP CONEY ISLAND restaurants. We expect most area developers to commit to establish at least 3 (or more) MP CONEY ISLAND restaurants at a rate of about 1 restaurant every 12 months.

To acquire development rights, you must sign our area development agreement (attached as Exhibit B), sign our current form of franchise agreement for your 1st MP CONEY ISLAND restaurant (attached as Exhibit A), and pay the area development fee and initial franchise fee due under the area development agreement and franchise agreement. Before you open each additional MP CONEY ISLAND restaurant, you must sign our then-current form of franchise agreement and pay the initial franchise fee for that restaurant, and we must approve the site and protected territory for the restaurant.

Laws and Regulations

You must comply with all local, state and federal laws and regulations that apply to the operation of any business, including laws and regulations specific to the operation of food-related businesses. For example, you must comply with laws and regulations governing matters such as public health and safety (including coronavirus mitigation), building standards, zoning, the environment, personnel, and the Americans With Disabilities Act, that apply to the operation of your MP CONEY ISLAND restaurant. We urge you to make inquiries and ask your attorney about these laws and regulations.

Our Parents, Predecessors and Affiliates

We have no parents or predecessors.

We have affiliates as described below.

Our affiliate, Mitsos Restaurants, LLC (“MRL”), is a Pennsylvania limited liability company that was organized on April 11, 2016. MRL's principal business address is 2712 Wilmington Road, New Castle, PA 16105. MRL operates an MP CONEY ISLAND restaurant in New Castle, PA. That restaurant has been in operation since 1970.

Our affiliate, MP Coney Island Wholesale, LLC (“Wholesale”), is a Pennsylvania limited liability company that was organized on February 11, 2020. Wholesale’s principal business address is 2712 Wilmington Road, New Castle, PA 16105. Wholesale sells MP CONEY ISLAND-branded food products to supermarkets and food stores nationally.

MRL and Wholesale have not offered franchises for MP CONEY ISLAND franchises or in any other line of business. MRL does not provide products or services to our franchisees. Wholesale provides proprietary chili sauce to our franchisees, but does not provide services to our franchisees.

Item 2

BUSINESS EXPERIENCE

President: William Mitsos

William Mitsos has been our President since November 2021. From August 2016 to present, he has been a Managing Partner of Mitsos Restaurants, LLC in New Castle, PA.

COO: John Mitsos

John Mitsos has been our COO since January 2022. From May 2021 to December 2021, he was the Sales Manager with Diehl Auto Group, in Sharon, PA. From January 2018 to May 2021, he was Sales Manager with Preston Auto Group, in Sharon, PA.

Secretary/Treasurer: Angelo Mitsos

Angelo Mitsos has been our Secretary and Treasurer since November 2021. From August 2016 to present, he has been a Managing Partner of Mitsos Restaurants, LLC in New Castle, PA.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

Item 5

INITIAL FEES

A. FRANCHISE AGREEMENT

Initial Franchise Fee

The initial franchise fee is \$35,000. When you sign the franchise agreement, you must pay us the \$35,000 by certified or cashier's check, or by ACH/wire transfer.

The initial franchise fee is uniform, except as disclosed in this paragraph and Item 5.B., and is fully earned when the franchise agreement is signed. If you are active military or a military veteran, we will reduce the initial franchise fee for your 1st MP CONEY ISLAND restaurant by 20%, to \$28,000.

The initial franchise fee is non-refundable, except that, if you do not successfully complete initial training, or we decide that you should not operate an MP CONEY ISLAND restaurant, we may cancel the franchise agreement. If we cancel the franchise agreement, we will deduct our out-of-pocket expenses, including any broker referral fees, and will refund up to 50% of the initial franchise fee if you agree to certain continuing obligations, including remaining subject to the arbitration clause, honoring our trade secrets and confidential information, not infringing on or using our materials, trademarks or the MP CONEY ISLAND system, not

violating the covenant against competition, and not hiring our or our franchisees' employees or independent contractors for a specified period of time.

Training Fee

We will provide initial training and training materials for up to 2 trainees at no extra charge to you. If you send more than 2 people to initial training, we will charge you a training fee of \$500 per day for each additional trainee. Training fees are uniform and non-refundable. You must pay for all of your trainees' travel, meal and lodging expenses. See Item 11 for more information on training.

B. AREA DEVELOPMENT AGREEMENT

Area Development Fee

You must pay us an area development fee of \$14,000 per MP CONEY ISLAND restaurant to be developed under the area development agreement, excluding your 1st MP CONEY ISLAND restaurant. This \$14,000 will be credited against the initial franchise fee you must pay for each MP CONEY ISLAND restaurant you must develop under your area development agreement. We expect that area development agreements generally will provide for the development of at least 3 MP CONEY ISLAND restaurants.

The area development fee is due on signing of the area development agreement. It is non-refundable unless we cancel the 1st franchise agreement under the conditions stated in 5.A. above. In those circumstances, we may also cancel the area development agreement. If we cancel the area development agreement, we will deduct our out-of-pocket expenses, including any broker referral fees, and will refund up to 50% of the area development fee if you agree to certain continuing obligations, including remaining subject to the arbitration clause, honoring our trade secrets and confidential information, and not infringing on or using our materials, trademarks or the MP CONEY ISLAND system.

When you sign an area development agreement, you must also sign a franchise agreement for your 1st MP CONEY ISLAND restaurant and pay the initial franchise fee for that business (see 5.A. above).

You must pay an initial franchise fee, less the \$14,000, for each additional MP CONEY ISLAND restaurant developed under the area development agreement. For the 2nd and each additional MP CONEY ISLAND restaurant to be developed under your area development agreement, the initial franchise fee is \$28,000. The initial franchise fee must be paid when you sign each subsequent franchise agreement. For example, if you are to develop 3 MP CONEY ISLAND restaurants, you must pay us a \$28,000 area development fee (2 x \$14,000) and a \$35,000 initial franchise fee for your 1st business, when you sign the area development agreement and the 1st franchise agreement. When you sign a franchise agreement for the 2nd MP CONEY ISLAND restaurant, you must pay us \$14,000 (\$28,000 initial franchise fee minus \$14,000) for that 2nd business. Similarly, you must pay us \$14,000 when you sign a franchise agreement for a 3rd business.

The same conditions as those described in Item 5.A. above apply to these fees.

In 2024, we did not sell any area development rights.

Except for the circumstance described in this Item, we do not refund any initial fee.

Item 6

OTHER FEES

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Continuing franchise fees	5% of Gross Sales ⁽²⁾	Payable weekly	We require payment by electronic transfer
Advertising and promotional contribution	0% to 3% of Gross Sales ⁽²⁾	Payable weekly	We may collect 0% to 3% of Gross Sales. We require payment by electronic transfer (see Item 11 for more information).
Local advertising	At least 1% of your annual Gross Sales ⁽²⁾	As agreed	You must spend at least this amount each year on local advertising. You will pay this amount to 3 rd parties. See Item 11.
Training fee ⁽³⁾	Currently \$500 per person per day ⁽⁴⁾	Before 1 st day of the training	Payable only if you send additional people to initial training or if we must provide training for a replacement manager more than once each calendar year
Remedial or follow-up training	Currently \$500 per trainee per day, plus our out-of-pocket expenses ^{(3) (4) (5)}	Before 1 st day of the training	Payable only for trainers sent to your area. We may require you or your manager(s) to attend remedial or follow-up training.
Field assistance	Currently \$500 per person per day, plus our out-of-pocket expenses ⁽⁴⁾	Before 1 st day of the scheduled assistance	This fee is for special field assistance you need or request.
Annual conference ⁽³⁾	Proportionate share of our out-of-pocket expenses	Before 1 st day of the conference	You must also pay for your travel, meals and lodging.
Transfer (franchise)	25% of our then-current initial franchise fee	Before transfer	Payable only when franchise or controlling interest in you is transferred; no fee if transfer is to a legal entity that you control.
Transfer (area grant)	\$2,500 per undeveloped franchise	Before transfer	Payable only when area grant or controlling interest in you is transferred; no charge if transfer is to a legal entity that you control.
Renewal (franchise)	10% of our then-current initial franchise fee	On signing of renewal franchise agreement	
Cooperative Advertising Program	Designated portion of local advertising or advertising and promotional contribution	As directed	If we establish a local advertising cooperative consisting of all MP CONEY ISLAND restaurants in your area, we may require you to participate (see Item 11).
Replacement manuals	Currently up to \$100 per replacement manual ⁽⁴⁾	When billed	Payable only if you lose a manual.

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Hardware and software upgrades	Actual cost	When incurred	Payable to a 3 rd party. You will be required to update your computer hardware and software periodically, at your cost. See Item 11.
Proprietary software fee	Reasonable fee	When incurred	If we develop proprietary software, we may charge you a reasonable fee for a license and any upgrades or updates.
On-line computer network fee	About \$60 to \$120 per month	When billed	Payable to a 3 rd party.
Unauthorized product or service fee	\$250 per day unauthorized product or service is offered	When incurred	In addition to other remedies available to us.
Interest on past due amounts	Lesser of 10% per annum or highest rate allowed by law	When billed	If no due date is stated, interest begins to run 30 days after billing.
Late fee	\$100	When billed	Applies to all amounts owing to us that are not paid by due date, and all reports not received by due date.
Management (on death or disability)	To be determined under circumstances	When billed	Payable for any period that we manage your business on your death or disability.
Management (other reason)	10% of Gross Sales, plus our direct out-of-pocket costs and expenses	When billed	Payable for any period that we manage your business for any reason other than your death or disability.
Insurance coverage	Cost of insurance, interest on the monies we advance and our administrative costs	When billed	If you fail to maintain insurance required by the franchise agreement, we may obtain the required insurance and charge you the cost of the insurance, interest on the monies we advance and our administrative costs.
Solicitation fee	200% of person's annual salary	As incurred	During the term of the franchise, and for an uninterrupted period of 1 year after you cease operation of your MP CONEY ISLAND restaurant, if you employ or engage as an independent contractor anyone who, within the prior 6 months, had been an employee or independent contractor of us or any of our franchisees, or induce or seek to induce any such person to leave his or her employment or engagement, you will pay us an amount equal to 200% of the person's annual salary.

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Examination or audit	Cost of examination or audit	When billed	Payable only if we find, after an audit, that you have understated or underpaid any amount owed to us by 3% or more for any 3-month period, or if the examination or audit is made necessary by your failure to furnish required information or documents to us in a timely manner.
Deficiencies	Our actual costs	When billed	If you do not satisfy your obligations under the franchise agreement, we may perform your obligations for you. You must reimburse us for our costs in performing your obligations.
Reimbursements and penalty fees	Will vary under circumstances	When billed	Reimbursements on returned checks, declined charges and similar defaults; penalty fees on those defaults and on unpaid invoices.
Costs and attorneys' fees	Our actual costs	As incurred	Payable if your non-compliance with the franchise agreement or area development agreement causes us to incur legal expenses.
Indemnification	Our actual costs	As incurred	You must reimburse us if we are held liable for claims involving the operation of your franchised business.
Liquidated damages	An amount equal to the average monthly continuing franchise fees paid during the 12 months of operation preceding termination, times the lesser of 24 or the number of months remaining in the franchise term	Within 15 days of the date of termination	Payable if your franchise is terminated under Sections 26.1, 26.2 or 26.3. This does not cover any other damages arising from any other violation of the franchise agreement.

Note 1: All fees are imposed by and payable to us, unless otherwise noted. All fees are non-refundable, except that we may partially refund transfer fees in some circumstances (see Section 25.2 (c) of franchise agreement and Section 14.2 (c) of area development agreement). All fees are uniform. Your payments to us may be effectuated by the use of pre-authorized electronic transfers from your operating account that we will process when any payment is due, including royalties and advertising contributions.

Note 2: "Gross Sales" mean all receipts of your business, including all amounts received on a cash, charge or time basis, and including the value of all products or services received for products or services provided, without reserve or deduction for inability to collect, and including any proceeds from any business interruption or similar insurance applicable to any revenue loss of your business, but excluding: excise, sales and use taxes; gross receipts taxes or similar taxes separately stated to and collected from customers for transmittal to appropriate taxing authorities; and bona fide discounts and refunds to customers. Our current policy on coupons and gift cards is as follows: Coupons generate receipts that are included in "Gross Sales" when they are redeemed by customers. At that time, the full retail prices of the items sold under the coupons are included in receipts, and the discounts given under the coupons are excluded as bona fide discounts when calculating "Gross Sales." Gift cards generate

receipts that are included in “Gross Sales” when they are redeemed by customers, not when they are sold. We may change this policy on reasonable written notice to you.

Note 3: See Item 11 for more information about initial training for you and your original manager, if any. As to all training sessions and annual conferences, you must pay your trainees’ and attendees’ travel, lodging and meal expenses, and their wages and benefits. Also, as to all training sessions, if our trainers are requested by you or are required to travel to give training, you must pay us our then-current per diem charges for those trainers, and must reimburse us for those trainers’ reasonable travel, lodging and meal expenses.

Note 4: These fees are subject to change, but not so as to unreasonably increase your obligations. For example, we may develop new training courses that may require fees different from those currently charged.

Note 5: Routine field assistance visits are without charge, but we may charge a fee for any field assistance visits or special training visits that are not routine. We assist you over the telephone or by mail or email, rather than by a personal visit, whenever we, in our sole and absolute judgment, consider it to be sufficient.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure ¹	Amount ²	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial franchise fee ³	\$35,000	Lump sum	On signing franchise agreement	Us
Travel, lodging and meals for initial training (per person)	\$1,000 to \$1,500	As agreed	As incurred	3 rd parties
Prepaid rent and security deposit ⁴	\$5,000 to \$20,000	As agreed	As incurred	Landlord
Leasehold improvements ⁵	\$35,000 to \$150,000	As agreed	As incurred	3 rd parties
Fixtures and signage ⁶	\$15,000 to \$25,000	As agreed	As incurred	3 rd parties
Furniture ⁷	\$8,000 to \$18,000	As agreed	As incurred	3 rd parties
Equipment ⁸	\$35,000 to \$50,000	As agreed	As incurred	3 rd parties
POS and back office computer system ⁹	\$6,000 to \$8,000	As agreed	As incurred	3 rd parties
Grand opening advertising	\$4,000 to \$5,000	As agreed	As incurred	3 rd parties
Initial inventory	\$5,000 to \$8,000	As agreed	As incurred	3 rd parties
Utility deposits	\$900 to \$3,000	As agreed	As incurred	3 rd parties
Professional fees (lawyer, accountant, etc.) ¹⁰	\$2,000 to \$5,000	Lump sum	As incurred	3 rd parties
Supplies (office supplies, stationery, business cards, etc.) (for 1 st 3-6 months) ¹¹	\$2,000 to \$4,000	As agreed	As incurred	3 rd parties
Business licenses, permits, etc. (for 1 st year)	\$1,000 to \$4,000	As agreed	As incurred	3 rd parties

Type of Expenditure ¹	Amount ²	Method of Payment	When Due	To Whom Payment Is To Be Made
Insurance (premium for 1 st year)	\$4,000 to \$8,500	As agreed	As incurred	3 rd parties
Additional funds ¹² (for 1 st 3-6 months)	\$20,000 to \$30,000	As agreed	As incurred	3 rd parties
TOTALS ¹³	\$178,900 to \$375,000			

You should be able to enter into an area development agreement with us for the following estimated **additional** initial investment:

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Area development fee ³	\$14,000 for each MP CONEY ISLAND restaurant you agree to develop after the 1 st restaurant	Lump sum	On signing area development agreement	Us
TOTAL ESTIMATED ADDITIONAL INITIAL INVESTMENT ¹⁴	\$28,000 to \$98,000 (assuming 2 to 7 restaurants beyond the 1st restaurant)			

Note 1: Unless otherwise stated in Item 5 or 6, or as otherwise negotiated with 3rd party suppliers, these amounts are non-refundable. See Item 10 for information on financing.

Note 2: These figures are estimates. The estimates are based on a restaurant prototype ranging from 1,000 to 2,000 square feet. I. None of these amounts are refundable, unless you negotiate otherwise with a 3rd party supplier.

Note 3: See Item 5 for more information on the initial franchise fee and the area development fee. For the 1st MP CONEY ISLAND restaurant, the initial franchise fee is \$35,000. For the 2nd and each additional MP CONEY ISLAND restaurant developed under an area development agreement, the initial franchise fee is \$28,000, less a \$14,000 area development fee credit, for a net due of \$14,000.

Note 4: We expect that you will lease space for your MP CONEY ISLAND restaurant, rather than own real estate and construct a building. Lease costs will vary based on size in square feet to be leased, cost per square foot, location, length of the lease, age of the leased property, local market conditions, size of the premises and bargaining power of the developer or property management company. A new MP CONEY ISLAND restaurant generally will contain about 1,000 to 2,000 square feet. In conjunction with the signing of a lease, the landlord may require you to provide a full or limited personal guarantee, or a letter of credit and/or a security deposit. The low estimate assumes a deposit on a lease.

Note 5: The cost of leasehold improvements for your business will vary as a function of size, condition and location of the premises, price differences among contractors, local wage rates and material costs, other local conditions, and the nature of your leasehold improvements. A previous tenant may have installed leasehold improvements that are compatible, thereby reducing your costs; or the landlord may pay for all or some leasehold improvements under your negotiated lease, or may finance your leasehold improvements by increasing your monthly rent payments. The low number assumes that the landlord will contribute \$115,000 toward an estimated \$150,000 total cost of leasehold improvements. If you are converting an existing restaurant space to an MP CONEY ISLAND restaurant, your costs for leasehold improvements may be significantly reduced, depending on the condition of the space and availability of

existing leasehold improvements. Typical leasehold improvements will include a hood system, HVAC, a fire protection system, bathrooms, millwork, lighting, booths, flooring, electrical work, plumbing, and mechanical systems.

Note 6: You must purchase and/or lease and install the fixtures and signage necessary to operate your MP CONEY ISLAND restaurant under our specifications. Fixtures currently include for example 2 beverage dispensers, stereo system, security system, in-store signs, decorations, digital menu boards, outdoor signs. The costs of purchase and installation of the fixtures and signage vary according to local market conditions, the size of the premises, your selections from our approved lines of items, price differences among suppliers, the location of the premises and other related factors.

Note 7: You must purchase and/or lease and install the furniture necessary to operate your MP CONEY ISLAND restaurant under our specifications. Furniture currently includes chairs, dining tables, office desk and chair, fireproof safe. The costs of purchase and installation of the furniture vary according to local market conditions, the size of the premises, your selections from our approved lines of items, price differences among suppliers, the location of the premises and other related factors.

Note 8: You must purchase and/or lease and install the equipment necessary to operate your MP CONEY ISLAND restaurant under our specifications. Equipment currently includes, for example, grills, deep frier, preparation and serving equipment and utensils; freezer, icemaker, food coolers/refrigeration. The costs of purchase and installation of the equipment vary according to local market conditions, the size of the premises, your selections from our approved lines of items, price differences among suppliers, the location of the premises and other related factors. If you are converting an existing restaurant space to an MP CONEY ISLAND restaurant, you may be able to purchase some of the existing equipment for a significantly reduced cost.

Note 9: You must purchase an electronic point-of-sale cash register system and computer that meet our specifications.

Note 10: You may decide to hold the franchise and/or area grant interest in a legal entity, and to transfer the franchise and/or area grant to a legal entity formed before beginning operations. Regardless of the ownership of the franchise, you may have to comply with the fictitious, assumed or trade name laws of the state in which your business is located.

Note 11: You must purchase office supplies, stationery, business cards and other written materials necessary to operate your MP CONEY ISLAND restaurant. You will typically purchase these items in amounts that may last 6 months or more. You may purchase these materials from us or from any approved supplier.

Note 12: You may need these additional funds to operate your business during its 3-to-6-month initial period to cover operating expenses that are in excess of typical start-up revenue. You may need additional funds at or near the higher estimate, or even exceeding the higher estimate, if you decide to open a business that is larger than a typical MP CONEY ISLAND restaurant.

Note 13: We have relied on our over 20 years of management experience in the food and beverage business to compile these estimates.

Note 14: You must agree to develop at least 3 MP CONEY ISLAND restaurants when you sign an area development agreement, and we generally will not grant the right to develop more than 8 MP CONEY ISLAND restaurants under a single area development grant. However, in our sole discretion, under some circumstances, we may grant you the right to development more than 8 MP CONEY ISLAND restaurants.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, we do not require you to purchase or lease goods, services, supplies, fixtures, equipment, inventory or real estate for your MP CONEY ISLAND restaurant from us or any approved supplier.

C. FRANCHISE AGREEMENT

Purchases or Leases From Us and Our Affiliates

Our affiliate, Wholesale, will be your sole supplier of our proprietary chili sauce. Otherwise, currently, neither we nor our affiliate require you to purchase or lease any proprietary or other products or services from us or our affiliates.

In the future, we may require you to obtain proprietary and other products or services from us or our affiliates as provided in our manuals. Proprietary products may include, for example, branded sauces or other food and/or beverage items.

If you choose to purchase or lease any product or service from us, we will attempt to make a reasonable profit from the sale of those items.

Approved Suppliers

Currently, our affiliate, Wholesale, is the exclusive approved supplier of our proprietary chili sauce. Otherwise, currently, neither we nor our affiliates are approved suppliers of any product or service, but we or our affiliates may be designated as an exclusive or non-exclusive approved supplier of one or more products or services in the future. We and/or our affiliates receive promotional and other marketing support and/or payments from some approved suppliers, which we may use in our sole discretion for any purpose without restriction.

Currently, you must subscribe to an online computer network that we designate, obtain products and services such as the electronic point-of-sale cash register system, specified food and beverage products, specified equipment and supplies, safe, security/alarm system, signs and promotional products, paper products, uniforms, pest control services and cleaning services from approved suppliers. In the future, we may require you to obtain other products or services, such as site design services, construction services, other equipment, and other food and beverage items, from approved suppliers.

We maintain a list of approved suppliers in our manuals. We may modify this list on reasonable written notice to you. We may approve a single supplier for any item and may approve a supplier only as to a certain item or items. We will grant or revoke approvals of suppliers on reasonable written notice based on our criteria for approving suppliers, inspections and performance reviews. We will provide you with our criteria for supplier approval on written request. You may request in writing our approval of additional suppliers. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request.

Our officers own interests in Wholesale.

Revenue to Us

In our fiscal year ended December 31, 2024, no approved suppliers paid us rebates based on sales to franchisees. If we activate the advertising and promotional fund ("APF") in the future, we may direct rebates received in the future to our general funds or to the APF.

Certain rebates may be passed along directly to franchisees on their invoices as they buy products or services from suppliers.

We intend to enter into rebate programs with certain other approved suppliers under which the suppliers will pass the rebates directly to our franchisees through a reduction of the cost of the franchisees' purchases from those suppliers. Rebates may be paid, for example, on beverages and food purchases, and generally will be calculated by multiplying an agreed cent amount by the number of pounds, gallons or other volumes purchased.

You will derive no other material benefits from your use of approved suppliers. We do not discriminate against you based on your use of any particular approved supplier.

Standards and Specifications

Equipment and Supplies

You must purchase or lease certain equipment and supplies meeting our specifications. Also, you must purchase or lease initial equipment and supplies in amounts that we require, to use our experience in the business and to provide proper initial planning, training, operation and record keeping. You must purchase or lease computer hardware and software as described in Item 11. The initial equipment and supplies that must meet our specifications are identified in our manuals.

Site Selection Criteria

You must find a site for your business that meets our site selection criteria within 6 months after signing your franchise agreement. We will not unreasonably withhold acceptance of any site that meets our standards for demographic characteristics, including traffic patterns, parking, predominant character of the neighborhood, competition from other businesses providing similar services in the area, proximity to other businesses, nature of other businesses in proximity to the site, and size, times open to the public, appearance and other physical characteristics of the site. Our acceptance of a site is not a representation or warranty that your business will be profitable or that your revenue will attain any predetermined levels. Acceptance is intended only to indicate that the proposed site meets our minimum criteria for identifying sites. You agree that our acceptance or non-acceptance of a proposed site does not impose any liability on us.

Lease of the Site

You must locate, and you must lease, sublease or purchase, the site for your business. If you lease the site for your business from a third party, you must provide us with a copy of the lease and we have the right to approve the lease before it is signed. Any lease must include the addendum attached as Attachment 6 to the franchise agreement or equivalent provisions in place of the addendum that we approve. You must agree not to modify the lease in any way that would adversely affect our rights without our written approval.

Maintenance and Repairs

You must maintain your MP CONEY ISLAND restaurant in the highest and most uniform degree of sanitation, repair, appearance, condition and security in the manner stated in our manuals. You must make additions, alterations, repairs and replacements to your MP CONEY ISLAND restaurant (but no others without our written consent) as reasonably required for that purpose, including periodic repainting, changes in appearance, upgrades and repairs to equipment, and replacement of obsolete signs as we reasonably direct. You must meet and maintain the highest safety standards and ratings applicable to the operation of your MP CONEY ISLAND restaurant as we reasonably require.

Renovation and Upgrading

You must abide by our requirements on alterations, remodeling, upgrading or other improvements to your MP CONEY ISLAND restaurant to achieve the strategic marketing goals of the MP CONEY ISLAND system. The requirements will not exceed those applicable to new franchised and company-owned units; and will not generally occur more frequently than every 5 years, unless your MP CONEY ISLAND restaurant is subject to unusual wear and tear. You will be responsible for the cost of changes or additions.

Design Specifications

We will lend to you specifications of our requirements for design, decoration, layout, equipment, furniture, fixtures and signs for your MP CONEY ISLAND restaurant. These items may be purchased from any approved supplier.

Insurance

You must obtain and maintain insurance, at your expense, as we require, in addition to any other insurance required by applicable law, your landlord, lender or otherwise. We may periodically change the amounts of coverage required under the insurance policies and require different or additional kinds of insurance, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances, if the changes apply to all franchised MP CONEY ISLAND restaurants. Your insurance must be written by insurance companies reasonably satisfactory to us with Best's ratings of "A+" or better, and currently must include at a minimum:

- Workers' compensation insurance as required by the law of the state or jurisdiction in which you are engaged in business. This insurance must be maintained for trainees, as well as for those employed or engaged in the operation of the MP CONEY ISLAND restaurant.
- Comprehensive general liability insurance with limits of at least \$1,000,000 per person for bodily injury per occurrence (and \$2,000,000 aggregate for bodily injury) and at least \$25,000 for property damage per occurrence.
- "All risk" insurance on the premises, equipment (except portable equipment) and supplies, for loss or damage by fire, windstorm, flood, casualty, theft and other risks usually insured against by the owners or landlords of similar property. The insurance must be for at least 90% of the replacement cost of the property. Unless

you obtain a written waiver from us, any MP CONEY ISLAND restaurant sustaining loss or damage must be repaired, restored or rebuilt within 60 days after the date of the loss or damage.

- Business interruption insurance for a period of at least 12 months.
- Such insurance and types of coverage as may be required by your landlord or by the terms of any lease for the premises of your business or by the municipality, county, state or other local jurisdiction in which your MP CONEY ISLAND restaurant is located.
- Comprehensive commercial automobile liability insurance for any vehicle operated by, or on behalf of, your business, including owned, hired and non-owned vehicle coverage, of at least \$500,000 (generally included in comprehensive general liability insurance policy).
- Crime insurance for employee dishonesty with at least a \$10,000 combined single limit.
- Cyber liability insurance with a limit of at least \$100,000 per occurrence.
- Employment practices liability insurance (EPLI) with a limit of at least \$100,000 per occurrence.

Each insurance policy, except the workers' compensation and employment practices liability insurance policies, must name us and entities and persons affiliated with us as additional insureds.

At least 10 days before you open your business or begin any construction, you must furnish us with certificates of insurance issued by insurance companies showing compliance with our insurance requirements and paid receipts showing the certificate numbers. Each certificate of insurance must include a statement by the insurance company that the policy will not be canceled, subject to non-renewal or materially altered without at least 30 days' written notice to us. On an annual basis, you must send us then-current certificates of insurance and paid receipts showing the certificate numbers. On our request, you must provide us with copies of your insurance policies and proof of payment for the policies.

Modifications of Specifications

Specifications that we have formulated for equipment and supplies are in our manuals. We may modify these specifications on reasonable written notice to you. We will consider your written request for a modification of a specification, if you explain the reason for the requested modification (or for the approval of any equipment or supply we have not previously approved) and provide us with sufficient technical data to enable us to evaluate your request. We will provide you with notification of approval or disapproval within 30 days after receipt of your request. We will approve a request if we determine that a modified specification is appropriate or that any equipment or supply meets our specifications then in effect. We may perform tests to determine if any equipment or supply meets our specifications.

Any signs, logos, emblems or pictorial materials used for your business must meet our specifications. Also, at least 1 exterior sign of stated design and size, if permitted by local sign ordinances, must be used for the premises.

See Item 11 for specifications on computer systems and advertising.

Magnitude of Required Purchases or Leases

We estimate that the following purchases and leases of products and services will represent the following percentages of your total purchases and leases of products and services to establish and operate your MP CONEY ISLAND restaurant:

	<u>% of Total to Establish</u>	<u>% of Total to Operate</u>
Purchases/leases from us	10% to 15%	5% to 10%
Purchases/leases from approved suppliers	25% to 30%	20% to 35%
Purchases/leases under our specifications	50% to 55%	5% to 10%

At this time, we have no purchasing or distribution cooperatives. In the future, however, we may establish cooperatives and require you to participate in them.

D. AREA DEVELOPMENT AGREEMENT

You must purchase or lease certain products and services under the franchise agreement signed for each MP CONEY ISLAND restaurant developed under an area development agreement. As an area developer, however, you are not otherwise obligated to purchase or lease any product or service from us or any approved supplier.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section In Franchise or Other Agreement	Section In Area Development or Other Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	5	8	5, 7, 8 & 11
(b) Pre-opening purchases/leases	5.3, 5.6, 14, 15 & 17	Not applicable	5, 7, 8 & 11
(c) Site development and other pre-opening requirements	5 & 15	7 & 8	5, 7, 8 & 11
(d) Initial and ongoing training	11	Not applicable	5, 6, 8 & 11
(e) Opening	5	7	7, 8 & 11
(f) Fees	9, 10.3, 11, 13.7, 14.6, 16, 21.3, 22.1, 25.2, 26.4 & 27.4	5 & 6	5, 6 & 7
(g) Compliance with standards and policies and Confidential Operations Manual	1, 12 & 14	8.1	8, 11 & 14
(h) Trademarks and proprietary information	19 & 20	Recital B & 11	13 & 14

Obligation	Section In Franchise or Other Agreement	Section In Area Development or Other Agreement	Disclosure Document Item
(i) Restrictions on products/services offered	7	None	8, 11 & 16
(j) Warranty and customer service requirements	Not applicable	Not applicable	Not applicable
(k) Territorial development and sales quotas	Not applicable	Not applicable	12
(l) Ongoing product/service purchases	14	Not applicable	6 & 8
(m) Maintenance/appearance/remodeling requirements	15	Not applicable	6, 7 & 8
(n) Insurance	17	Not applicable	6, 7 & 8
(o) Advertising	16	Not applicable	6, 7, 8 & 11
(p) Indemnification	24	13	6 & 8
(q) Owner's participation/management/staffing	4	4	6 & 15
(r) Records and reports	13	7.3	8
(s) Inspections and audits	13.6 & 22	Not applicable	6, 8 & 11
(t) Transfer	25	14	6 & 17
(u) Renewal	3.2	2.2	6 & 17
(v) Post-termination obligations	27	16	17
(w) Non-competition covenants	21	11.2	17
(x) Dispute resolution	29.6 & 32	21	6 & 17
(y) Transfer to us of telephone numbers and listings, and email addresses, domain names and comparable electronic identities	16, Att. 2	Not applicable	11 & 13
(z) Incentive or convenience programs	8	Not applicable	8 & 11
(aa) Owners/shareholders guaranty	Att. 5	Att. 4	15

Item 10

FINANCING

Neither we nor any affiliate offers direct or indirect financing or guarantees your notes, leases or obligations.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

E. FRANCHISE AGREEMENT

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

Before you open your business, we will provide you with:

- (1) Initial materials for establishing an MP CONEY ISLAND restaurant (Section 10.1(a)). Currently, the initial materials include a confidential operations manual, checklists, construction and build-out specifications, and an approved supplier list.
- (2) Initial training for you and your original manager, if any. (Sections 10.1(c) and 11). (See "Training" below).

- (3) For each individual attending initial training, currently, one copy of our confidential operations manual. In the future, we also may provide you with read-only disk copies of, or give you Intranet access to, our confidential operations manual and other manuals. (Sections 10.1(c) and 10.1(i)) (See “Manuals” below).
- (4) Specifications for equipment, supplies and services to be used under the MP CONEY ISLAND system (Sections 10.1(e) and 14).
- (5) Samples of initial advertising and marketing materials (Section 10.1(f)).
- (6) Design and sign specifications for your premises, assistance with space planning, and a preliminary layout for your premises (Sections 5.2 and 15).
- (7) Assistance with site selection (Section 10.1(j)).
- (8) Advice concerning construction, set-up and opening (Section 10.1(j)).
- (9) Guidance in organizing your business (Section 10.1(k)).
- (10) Our standard pricing schedule for products and services offered by your MP CONEY ISLAND restaurant. We encourage you to charge the prices in the standard pricing schedule as we revise it periodically, but normally you will have the right to sell your products and services at any prices you determine, subject to you giving us at least 10 days’ prior written notice of any non-standard prices you intend to charge. We retain the right to establish minimum or maximum prices for certain products and services, in our sole discretion on 30 days’ prior written notice to you, to the fullest extent permitted by applicable law, on a nationwide or advertising market basis, or on a limited-time-only or longer-term basis. To date, we have not exercised this right. We do not expect to exercise this right, for example, unless unusually low or high prices being charged by particular franchisees are causing customers to be confused or irritated with the MP CONEY ISLAND system. If we establish any minimum or maximum prices for any products or services, you will have the right to charge any prices above the minimum prices or below the maximum prices, but will not have the right to charge prices below the minimum prices or above the maximum prices. (Sections 8.1 and 10.1(b)).

During the operation of your business, we may:

- (1) Provide reviews and analyses of your operations (Section 10.1(l)).
- (2) At our option, offer annual regional or national conferences designed to encourage the exchange of information and new ideas between us and our franchisees. You may be required to pay us fees for these conferences based on our out-of-pocket costs to hold the conferences (Sections 10.1(b) and 11.2(c)).
- (3) Distribute to you reports of improvements in administrative, bookkeeping, accounting, marketing and other operating procedures, as they are developed (Section 10.1(g)).
- (4) Update our manuals to incorporate improvements and new developments in the MP CONEY ISLAND system, including improvements in products and services

you offer to your customers. These revisions may be made at any time (Section 12.2).

- (5) Provide periodic telephone and electronic mail assistance on daily operations, marketing, advertising, financial management and other operating issues that you encounter (Section 10.1(h)).
- (6) Make available to you initial training of replacement managers at a location that we determine. You must pay us fees for this training only if we provide replacement manager training to you more than once per calendar year (Sections 10.1(b) and 11.2(b)).
- (7) Make reasonable efforts to negotiate, enter into and maintain, through volume purchasing, contracts for equipment, supplies and services that we make available for your purchase (Section 14.3).
- (8) Review proposed equipment, supplies or service contracts to determine if they meet specifications under the MP CONEY ISLAND system (Section 14.2).
- (9) At our option, administer a system-wide advertising and promotional fund. (Section 16.2) (See "Advertising and Promotional Fund ("APF")" below).
- (10) At our option, provide Intranet access to our manuals, franchisee resources and company news (Section 10.1(m)).
- (11) Maintain a website (or multiple websites), and provide you with a standard listing on our primary website in accordance with our manuals (Section 10.3). (You may not establish your own website.)

Advertising and Promotion

Advertising and Promotional Fund ("APF")

We may, on 60 days' prior notice to you, require you to contribute 0% to 3% of your Gross Sales to an advertising and promotion fund ("APF"). All franchised and company-owned businesses (if any) will contribute on an equal basis to the APF.

The APF primarily will be used for media development, public relations and advertising that generally will be placed in regional media, and involve periodicals and newspapers. We may use an independent regional advertising agency to prepare marketing materials.

We will administer the APF and, on your written request, make an annual unaudited financial statement available for your review about 90 days after fiscal year end. Other than reimbursement for reasonable costs and overhead incurred in activities for the administration or direction of the APF, neither we nor any affiliate will receive any payment for providing products or services to the APF. We will not use the APF to solicit prospective franchisees. If we spend more than the contributions accumulated in the APF during any fiscal year, we may receive, on demand, reimbursement in later years to the extent of the excess expenditure.

We will not be required to spend any amount from the APF on advertising or promotions in your area. If any contributions to the APF, including any associated earnings, are not spent in the fiscal year in which they accrue, they will remain in the APF for use in following years. We

may terminate the APF at any time, but we will not do so until all monies in the APF have been spent for the purposes described in the franchise agreement or returned to contributors on a prorated basis. If we terminate the APF at any time, we may later re-instate the APF at any time.

In our fiscal year ended December 31, 2024, we did not require contributions to be paid to the APF, and we did not expend any monies from the APF.

Franchisee Advertising Council

We may form an advertising council of franchisees. The council will advise us on advertising and promotional policies. Franchisees will elect some or all of the members of the council. The council will serve in an advisory capacity only and have no operational or decision-making power. The council will operate under its own bylaws, but we will have the right to change or dissolve the council.

Grand Opening Advertising

You must advertise and promote the opening of your business according to a grand opening marketing program we approve. Your grand opening expenditures will be for items such as balloons, banners and cooperative coupons mailed to households in your territory. See Items 6, 7 and 8 for more information.

Local Advertising

You must submit to us, for our approval, all media and materials to be used for local advertising, unless the media and/or materials have been approved before or unless we provided the materials. All materials containing our proprietary marks must include the designation we specify. If you do not receive written or oral disapproval of any materials submitted within 15 days after the date we receive the materials, the materials are approved. We may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved. We must make this requirement in writing, and you have 5 days after receipt of our notice to withdraw and/or discontinue use of the materials or advertising.

You must include in any significant display advertisements and in marketing materials for your MP CONEY ISLAND restaurant, in conformance with standards in our manuals, a notice that your MP CONEY ISLAND restaurant is individually owned and operated. Subject to any legal restrictions, you also must display or make available in your MP CONEY ISLAND restaurant reception area marketing materials that we provide to you about the purchase of MP CONEY ISLAND franchises, but you have no responsibility or authority to act for us in franchise sales.

You must spend at least 1% of your annual Gross Sales on local advertising, in accordance with a local advertising plan that you prepare and we approve annually. If other MP CONEY ISLAND restaurants are located in your area, you must participate in any local advertising cooperative that we establish or cause to be formed, if we require your participation. You may not solicit business outside your territory through the use of a toll-free number, direct mail, a website, electronic communications or other advertising methods without our prior written approval.

You may have as many directory listings for your business as you choose, and we will assign “mpconeyisland” email addresses for your franchised business (“listings”). We will own

all rights to the listings, and you must transfer them to us on the expiration, termination, repurchase or transfer of the franchise, at your expense. You must sign an authorization that grants us the right to change, transfer or terminate your listings on your behalf on expiration, termination, repurchase or transfer of the franchise (see Attachment 2 to the franchise agreement).

On our primary website, we will provide you with a standard listing for your business in accordance with our manuals. You may not establish your own website.

We may establish a cooperative advertising program for the benefit of all franchisees within a particular region. We have the right to (a) allocate any portion of the APF to the cooperative advertising program; and (b) collect and designate all or a portion of the expenditures for local advertising required in Section 16.3 of the franchise agreement for the cooperative advertising program. We will determine the geographic territory and market area for any cooperative advertising program. You must participate in any cooperative advertising program established in your region if we require your participation. If a cooperative advertising program is implemented in a particular region, we may establish a cooperative marketing committee for franchisees in that region to self-administer the program.

Incentive or Convenience Programs

Because customer incentive or convenience programs may be effective methods to spur customer visits, you must offer for sale, and honor for purchases by customers, any incentive or convenience programs that we may periodically establish. You must follow our standards and specifications for the programs as described in our manuals or otherwise in writing. We may require you to participate in a system-wide gift card or loyalty card incentive program from our approved supplier (see Item 8).

Computer Hardware and Software

You must purchase and use computer hardware and software that we specify. Currently, you must purchase a POS system from Pittsburgh POS and a back office computer system that meets our specifications. The current specifications are:

POS System: 2 POS Terminals with 15" touch screen all in one PC workstation, serial and network receipt printers, impact printer, 2 cash drawers, customer display, POS workstation license, credit card software and multi-store gift card processing software.

Back Office Computer System: 1 desktop or laptop computer (minimum of 2G RAM with flat panel display), 1 all-in-one printer, 1 network hub (4-port), Microsoft Office XP or higher, Quick Books Pro, and anti-virus software. You must also have DSL modem service and network cabling.

You will use the POS system as a cash register. It will be networked to the back office computer system and used for functions such as accounting, database and contact management, facilities management, food and beverage analysis reports, communications and word processing.

The POS system and back office computer system currently cost about \$6,000 to \$8,000

The software we require you to use contains modules that support personnel-related functions, such as employee timekeeping, employee scheduling and payroll processing. Your use of those modules is non-mandatory. You may use those modules or alternate software to handle personnel-related functions, or you may handle personnel-related functions in any other manner that you choose.

We have established these specifications for all new MP CONEY ISLAND restaurants, based on our research into currently available technology.

You may purchase any necessary installation and training for required software from suppliers of your choosing. You must purchase a 1-year warranty, if available. You must periodically upgrade or replace the software, and must install and regularly update anti-virus, anti-malware and any other protective software as we specify. You must ensure that such protective software is active at all times. We estimate that your annual cost for these upgrades will be no more than \$1,000. There are no contractual limitations on the frequency or cost of this obligation.

We may assist you in obtaining computer hardware, software and related services, but we are not obligated to do so. We are not required to provide you with updates and support for any software, but we may provide you with mandatory and non-mandatory templates designed to be used with the software used in the operation of your business. In our sole discretion, in the future, we may provide you with proprietary software for reasonable fees.

Unless we expressly provide otherwise in writing, we do not warranty any required computer hardware or software, and we disclaim all implied warranties to the extent permitted by law. Neither we nor any affiliate is obligated to provide ongoing maintenance, repairs, upgrades or updates to any component of your computer system. You should determine for yourself whether or not any 3rd party supplier from whom you purchase any component of your computer system is obligated to provide ongoing maintenance, repairs, upgrades or updates to any component of your computer system, and determine the additional cost for the services.

As a component of your POS system, you must subscribe to an online computer network on which we will have the ability to access your accounting and record-keeping data. There are no contractual limitations on our right to access this data. Currently, the cost for an online computer network subscription is about \$60 to \$120 per month. Your online computer network subscription, in addition to permitting us to exchange ideas and transfer data throughout the MP CONEY ISLAND system.

Manuals

As of December 31, 2024, our confidential operations manual covered the following subjects:

CONFIDENTIAL OPERATIONS MANUAL

Section	Topic	Number of Pages in Section
I	Introduction	1
II	Welcome	1
III	Pre-Opening	3
IV	Products and Equipment	3

Section	Topic	Number of Pages in Section
V	Food Preparation	5
VI	Day-to-Day Operations	15
VII	Food Safety/Cleanliness	10
VIII	Customer Service	6
IX	Quality	3
X	Safety	3
XI	Marketing	1
	TOTAL	51

The confidential operations manual contains both mandatory standards, specifications, policies and procedures, and non-mandatory guidelines and recommendations, for the development and operation of your business.

Training

You will receive the following initial training before and during the opening of your new MP CONEY ISLAND restaurant:

TRAINING PROGRAM

Subject	Number of Hours		Location
	Classroom	On-The-Job	
Introduction and Welcome	1	1	New Castle, PA and your site
Day-to-Day Operations	2	25	New Castle, PA and your site
Quality Control	1	4	New Castle, PA and your site
Safety and Security	1	1	New Castle, PA and your site
Customer Service Relations	1	2	New Castle, PA and your site
Marketing	1	1	New Castle, PA and your site
Public Relations	1	1	New Castle, PA and your site
Scheduling and Staffing	1	1	New Castle, PA and your site
Financial Management	1	2	New Castle, PA and your site
Franchise Responsibilities and Procedures	2	2	New Castle, PA and your site
TOTAL	12	40	

The hours devoted to each subject are estimates only and may vary substantially based on how quickly trainees grasp the material, their prior experience with the subject, and scheduling. Much of the on-the-job training will be conducted at your location before and during the opening of your MP CONEY ISLAND restaurant.

Our current instructors include Rosemary Lesniak, John Mitsos, and Emmanuel Mitsos. These instructors have 21 years, 3 years, and 9 years of experience, respectively, with the subject matter. They have 11 years, 3 years, and 9 years of experience, respectively, with us. We will use our confidential operations manual as the basis for instruction.

If you are an individual, you and your original manager must attend and successfully complete initial training to our satisfaction. If you are a legal entity, your managing shareholder,

partner or member and your original manager must attend and successfully complete initial training to our satisfaction.

Initial training currently consists of the following: an initial session of up to 7 days of classroom and on-the-job training in New Castle, PA before you open for business, and up to 7 days of on-site training before and during the opening of your MP CONEY ISLAND restaurant. If needed, we may provide an advanced session of about 3 days of classroom and on-the-job training in New Castle, PA, which generally will take place about 90 to 120 days after you open for business. The initial training generally begins 8 to 10 weeks before the projected opening of your business.

You or your trained original manager must train your other employees and independent contractors before the opening and during the operation of your business.

We will not charge you for initial training unless you send more than 2 trainees (see Item 6), but you must pay your trainees' travel, lodging and meal expenses, and their wages and benefits, during training.

Each year at our option, we may schedule a regional or national conference. You (or your managing shareholder, partner, or member) must attend this conference. The focus of the conference generally will be discussion and review of new business and marketing trends and methods. At our option, we may charge you a proportionate share of our out-of-pocket costs for each annual conference.

You (or your managing shareholder, partner, or member) and/or any previously trained manager must attend any refresher or follow-up training that we designate. We will not charge you for this training, but you must pay your trainees' travel, lodging and meal expenses, and their wages and benefits, during training (see Item 6).

Training for replacement managers is required and provided on the same terms as the initial training provided for you, except that there will be a fee for the training if we must provide it to you more than once per calendar year (see Item 6). Training for transferees of the franchised business will be required and provided on the same terms as the initial training provided for you. Training for replacement managers and transferees will occur at a time we schedule on a space-available basis, and may not be available immediately after the replacement manager is hired or the transferee assumes control.

Site Selection

Initially, we approve an interim reserved area within which you must locate a site for your business. We will assist you in evaluating proposed sites based on information that you provide to us and on other information that we consider relevant. We may, but we are not required to, visit proposed sites with you. You may not sign a lease for a proposed site until you have submitted a copy of the lease to us and received our written approval. We will accept or not accept a proposed site (within 30 days after you propose it in writing with appropriate documentation as stated in our manuals) based on factors such as neighborhood, traffic patterns, access, parking, size, layout, length of availability, the terms of any proposed lease, sublease or purchase contract, and other factors. If we do not accept a proposed site, you must locate another site. If you and we cannot agree on a site, we may terminate the franchise. Your acquisition of any proposed site before our acceptance of the site will be your sole risk and responsibility, and

will not obligate us in any way to accept the site. Our acceptance of a proposed site is not in any way our warranty or representation as to the suitability of the site for an MP CONEY ISLAND restaurant.

You must locate the site, obtain our approval and lease or purchase the site within 6 months after signing the franchise agreement. If you are delayed from leasing or purchasing a site within 6 months, you must provide us with a written request to extend the time. Your request must state: 1) that a delay is anticipated; 2) the reasons that caused the delay; 3) the efforts that you are making to proceed with a purchase or signing a lease; and 4) an anticipated date on which you will sign a lease or close on the purchase. In considering the request, we will not unreasonably withhold our consent to a delay, up to a maximum of 60 days, if you have been diligently pursuing locating a site and purchasing or signing a lease for the site. If, for any reason, you do not sign a lease or purchase an approved site within 6 months or any additional time to which we have consented, we may terminate the franchise.

Opening of Business

You must open for business within 12 months after signing your franchise agreement. However, if you are delayed from opening within 12 months, you must provide us with a written request to extend the time. Your request must state: 1) that a delay is anticipated; 2) the reasons that caused the delay; 3) the efforts that you are making to proceed with opening; and 4) an anticipated date on which you will open. In considering the request, we will not unreasonably withhold our consent to a delay, up to a maximum of 60 days, if you have been diligently pursuing opening. If, for any reason you do not open 12 months or any additional time to which we have consented, we may terminate your franchise.

The typical length of time between the signing of a franchise agreement and the opening of a business is 12 months, subject to our opening schedule availability. Factors that may affect this time include your ability to obtain business licenses and permits and when you complete initial training, locate a site, negotiate a lease, sublease or purchase contract, and complete any construction or renovation of your facility.

F. AREA DEVELOPMENT AGREEMENT

Our Obligations

If you comply with the terms of your area development agreement, we may not franchise or license others, or ourselves directly or indirectly develop, own, lease, construct or operate, any MP CONEY ISLAND restaurants in the geographic area covered by your area grant.

You will open each MP CONEY ISLAND restaurant under an individual franchise agreement. Therefore, we have no pre-opening, training, opening or post-opening obligations under an area development agreement.

Area and Site Selection

We and you will agree on an area as described in Item 12 of this disclosure document. If we and you cannot agree on an area, we will not enter into an area development agreement with you.

As stated in 12.A, you will select the site of each MP CONEY ISLAND restaurant in the area, subject to our written acceptance of each site. If we disapprove a site, you must locate another site.

Item 12

TERRITORY

G. FRANCHISE AGREEMENT

For each MP CONEY ISLAND restaurant, we grant to you a protected territory. The protected territory generally will be defined by 5-digit ZIP codes, county or city boundaries, a radius, or fixed geographical boundaries such as rivers, streets or highways. We will generally identify the territory by attaching a map to the franchise agreement. A typical territory may contain a population of between 50,000 and 150,000 people. A downtown or dense suburban territory may be based on the level and concentration of commercial activity in an area, rather than on the population in a territory. We will determine the population or commercial activity in the territory by using information from the most recent census tracts available from the U.S. Census Bureau or from other sources. Your territorial rights restrict us from establishing or operating, or granting any person other than you the right to establish or operate, an MP CONEY ISLAND restaurant at any traditional venue in your territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We grant you a franchise for a specific accepted site within the territory. The site may not be changed without our written approval and compliance with our relocation procedures, and you may not operate out of any site other than the accepted site within the territory without our written approval. All sales must be made from the accepted site. You may not solicit business outside your territory through the use of a toll-free number, direct mail, a website, electronic communications or other advertising methods without our prior written approval.

We and our affiliates, designees and assignees may, without offering you the right to participate: (a) establish and operate, and grant others the right to establish and operate, MP CONEY ISLAND restaurants at locations anywhere outside your territory, including locations near the territory's boundaries; (b) in or outside your territory, offer and sell products and services that are the same as the products and services offered by MP CONEY ISLAND restaurants, or different products and services, using MP CONEY ISLAND trademarks or different trademarks; (c) in or outside your territory, establish and operate, and grant others the right to establish and operate, MP CONEY ISLAND restaurants that are located within non-traditional venues, such as convention centers, airports, hotels, sports facilities, theme parks, hospitals, transportation facilities, venues in which master concessionaires provide foodservice, and similar captive market locations; (d) in or outside your territory, sell any products, using MP CONEY ISLAND trademarks or different trademarks, through alternative channels of distribution, such as grocery stores, convenience stores, ghost kitchens, mobile vans or trucks, and the Internet; (e) acquire and continue to operate, directly or indirectly, any business operating under different trademarks in or outside your territory; (f) acquire and retain, directly or indirectly, the rights and obligations of any franchisor or licensor of any business operating

under different trademarks in or outside your territory; (g) in or outside your territory, acquire, establish and promote other franchise systems involving different products or services using different trademarks, and establish company-owned or franchised outlets for those systems; (h) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any other person, including a competing business, even if such person operates, franchises and/or licenses businesses in close proximity to your MP CONEY ISLAND restaurant; and/or (i) engage in other activities not prohibited by the franchise agreement.

We will not pay any compensation to you if we solicit or accept orders inside your territory.

During the term of the franchise, your territory may not be modified except by a written agreement between you and us. On renewal or transfer of your franchise, the territory may be modified. Depending on the then-current demographics of the territory, and on our then-current standards for territories, if the territory is larger than our then-current standard territory, we may require you or the transferee to accept a renewal territory or a transfer territory smaller than the territory.

The protected territory is not dependent on the achievement of any stated sales volume or market penetration. As a single-unit franchisee, you do not receive the automatic right to acquire additional franchises.

H. AREA DEVELOPMENT AGREEMENT

We grant you an area that is based, in part, on population density and market demand for MP CONEY ISLAND restaurant products and services. The area generally will be defined by 5-digit ZIP codes, county or city boundaries, or fixed geographical boundaries such as rivers, streets or highways, and typically may contain a population of between 50,000 and 150,000 people per MP CONEY ISLAND restaurant to be developed.

You must develop franchised MP CONEY ISLAND restaurants in your area according to a development schedule. This development schedule normally requires that you open 1 MP CONEY ISLAND restaurant every 12 months. You must be in compliance with all previously executed franchise agreements for MP CONEY ISLAND restaurants in order to be eligible to open new MP CONEY ISLAND restaurants. If you do not comply with the development schedule, or if any of your franchises are terminated for any reason, we may do any or all of the following: (a) to terminate the area grant; (b) to terminate your area protection; or (c) to reduce the size of the area. We do not generally grant a right of first refusal to obtain additional area.

You will not receive an exclusive area, in that MP CONEY ISLAND restaurants may operate within non-traditional venues or alternate channels of distribution (see below) in your area. You may face competition through these non-traditional venues or alternate channels of distribution from other franchisees, from outlets that we own, or from competitive brands that we control. However, if you comply with the terms of the area development agreement, we may not establish or operate, or grant any person other than you the right to establish or operate, an MP CONEY ISLAND restaurant at any traditional venue in your area.

We and our affiliates, designees and assignees may, without offering you the right to participate: (a) establish and operate, and grant others the right to establish and operate, MP

CONEY ISLAND restaurants at locations anywhere outside your area, including locations near the area's boundaries; (b) in or outside your area, offer and sell products and services that are the same as the products and services offered by MP CONEY ISLAND restaurants, or different products and services, using MP CONEY ISLAND trademarks or different trademarks; (c) in or outside your area, establish and operate, and grant others the right to establish and operate, MP CONEY ISLAND restaurants that are located within non-traditional venues, such as convention centers, airports, hotels, sports facilities, theme parks, hospitals, transportation facilities, venues in which master concessionaires provide foodservice, and similar captive market locations; (d) in or outside your area, sell any products, using MP CONEY ISLAND trademarks or different trademarks, through alternative channels of distribution, such as grocery stores, convenience stores, ghost kitchens, mobile vans or trucks, and the Internet; (e) acquire and continue to operate, directly or indirectly, any business operating under different trademarks in or outside your area; (f) acquire and retain, directly or indirectly, the rights and obligations of any franchisor or licensor of any business operating under different trademarks in or outside your area; (g) in or outside your area, acquire, establish and promote other franchise systems involving different products or services using different trademarks, and establish company-owned or franchised outlets for those systems; (h) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any other person, including a competing business, even if such person operates, franchises and/or licenses businesses in close proximity to your MP CONEY ISLAND restaurant; and/or (i) engage in other activities not prohibited by the area development agreement.

We currently do not operate or franchise, and do not have any plans to operate or franchise, businesses under different trademarks, where the businesses sell different products or services.

Item 13

TRADEMARKS

I. FRANCHISE AGREEMENT

We grant you the non-exclusive right and obligation to use the trademark, service mark and trade name MP CONEY ISLAND, and other trademarks, service marks, trade names, logos, trade dresses, and commercial symbols ("trademarks") that we make available to you, for providing products and services under the MP CONEY ISLAND system at your business ("the trademarks"). You may not use any of the trademarks as part of any legal entity name, website address, email address, domain name or other identification in any print, electronic or other medium, or with any prefix, suffix or other modifying word, term, symbol or design. You may not use the trademarks for the sale of unauthorized products or services or in any manner we have not authorized in writing. All rights in and good will from the use of the trademarks accrue solely to us.

Registrations and Applications

Our affiliate, Mitsos Restaurants, LLC ("MRL"), owns the following registration on the Principal Register of the United States Patent and Trademark Office ("USPTO") for the following trademark:

Trademark	Registration	Registration Number
MP CONEY ISLAND SINCE 1923	January 4, 2022	6,606,564

MRL intends to file all required renewal applications and affidavits for this trademark.

Determinations

There are no currently effective material determinations of the USPTO, any Trademark Trial and Appeal Board, any state trademark administrator or any court, nor are there any pending interference, infringement, opposition or cancellation proceedings or material litigation, involving any of the trademarks in any manner that is material to the franchised business. There are no decided infringement, cancellation or opposition proceedings in which we unsuccessfully fought to prevent registration of another trademark to protect the trademark.

Agreements

MRL has granted us a license to use and sublicense the use of the trademarks in the United States. The term of the license is perpetual unless it is terminated in accordance with the terms of the license. The license requires the payment of a royalty. If the license is terminated for any reason, you will still have the right to continue to use the trademarks during the term of your franchise.

Other than the above, there are no agreements currently in effect that significantly limit our rights to use or to license the use by franchisees of the trademarks in any manner that is material to the franchised business.

Protection of Rights

We will control any administrative proceedings or litigation involving the trademarks. You must notify us promptly of any use by any person or legal entity other than us or our franchisees, of any of the trademarks or any variation of any of the trademarks. We will decide the actions to be taken against the use of any of the trademarks by any persons or legal entities other than us or our franchisees. Our current intent is to take strong and progressive actions (that may include bringing litigation) against that use. Any actions that we take will be at our expense.

You must notify us promptly of any litigation brought against you involving any of the trademarks, and you must deliver to us copies of any documents for the litigation that we request. We will decide whether to settle or defend any trademark litigation brought against you. If we decide to take either action, we will do so at our expense, but you must cooperate with us. If the defense does not involve issues concerning the operation of your franchised business, we will reimburse you for your out-of-pocket costs. If we decide not to defend or settle any trademark litigation brought against you, you must defend or settle the litigation at your expense.

Because your directory listings, email addresses and domain names (“listings”) will be associated with 1 or more of the trademarks, we will own all rights to the listings, and all goodwill generated from the use of the listings will inure to our benefit. See Items 9 and 11.

We may acquire or develop additional trademarks, and may use those trademarks ourselves, make those trademarks available for use by you and other MP CONEY ISLAND

restaurants, or make those trademarks available for use by other persons or entities. You may not directly or indirectly contest our rights in the trademarks.

Indemnification of You

We will indemnify you to the extent that litigation involves defending against infringement or unfair competition if you are using the trademarks in accordance with the franchise agreement and our manuals, you allow us sole control of the defense and settlement of any claim and if you give us notice of a claim within 30 days after you learn about the claim.

Modification of Trademarks

We may require you to modify or use a substitute for any trademark. If we do, you must pay your cost of compliance. We will allow you sufficient time to make the change in a cost effective matter. We also may require you to use and display a notice in a form we approve that you are a franchisee under the MP CONEY ISLAND system using the trademarks under a franchise agreement.

Superior Prior Rights or Infringing Uses

We do not know of any superior prior rights or infringing uses that could materially affect your use of the Marks.

J. AREA DEVELOPMENT AGREEMENT

You will not have the right to use the trademarks under an area development agreement. Your rights to use the trademarks are derived solely from the franchise agreements entered into for the operation of individual MP CONEY ISLAND restaurants.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

K. FRANCHISE AGREEMENT

Patents

No patents are material to the franchise.

Copyrights

We have not registered any copyrights with the United States Copyright Office (Library of Congress), but various marketing, sales, training, management and other materials that we have created are and will be protected under the U.S. Copyright Act, whether or not we have obtained registrations. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for the purpose of promoting your franchised business.

There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials that are relevant to their use by our franchisees.

There are no agreements currently in effect that significantly limit our right to use or license the use of our copyrighted materials in any manner material to the franchise. All of the provisions in Item 13 under the heading “Protection of Rights” also apply to copyrights; provided, however, that you must modify or discontinue use of any subject matter covered by a copyright if directed by us.

We do not know of any superior rights in or any infringing uses of our copyrighted materials that could materially affect your use of the copyrighted materials.

Proprietary Information

We have a confidential operations manual that is proprietary and copyrighted, and that contains both mandatory standards, specifications, policies and procedures, and non-mandatory guidelines and recommendations, for the development and operation of your business. Item 11 describes the confidential operations manual. We also have other proprietary, copyrighted and confidential materials and product recipes, and may develop additional manuals, materials and product recipes, for the operation of your business. All confidential manuals, materials and product recipes provided to you are for your exclusive use during the term of the franchise, and may not be reproduced, copied, loaned to, used by or shown to any person outside the MP CONEY ISLAND system without our permission.

You must have each employee or independent contractor sign an agreement before you grant him or her access to our manuals, or our confidential materials or product recipes, in which he or she agrees to the confidentiality of the MP CONEY ISLAND system, agrees not to use any information about the MP CONEY ISLAND system for his or her own benefit without an appropriate license, and agrees not to compete in certain respects with your business and other franchisees’ businesses (see Exhibit D of this disclosure document).

L. AREA DEVELOPMENT AGREEMENT

Patents and Copyrights

We do not own any rights in or to any copyrights or patents that are material to an area grant.

Proprietary Information

We may provide you with proprietary information for an area grant. This information is for your exclusive use during the term of the area grant, and may not be reproduced, loaned or shown to any person outside the MP CONEY ISLAND system.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

M. FRANCHISE AGREEMENT

We strongly believe that the success of your franchised business will depend to a large extent on your personal and continued efforts, supervision and attention. If you are an individual, you and your original manager, or only your original manager, must attend and successfully

complete initial training (see Item 11). If you are an individual, you or a trained manager must personally manage your business at all times.

If you are a legal entity, your managing shareholder, partner, or member and your original manager, or only your original manager, must attend and successfully complete initial training. If you are a legal entity, your managing shareholder, partner, or member, or a trained manager, must personally manage your business at all times. Any replacement manager must attend and successfully complete initial training. Neither an original manager nor a replacement manager needs to have an equity interest in your business.

You must have each manager, each management employee or independent contractor, and each person attending initial training, before you grant him or her access to our manuals or any other confidential information, sign an agreement in which he or she agrees to the confidentiality of the MP CONEY ISLAND system, agrees not to use any information about the MP CONEY ISLAND system for his or her own benefit without an appropriate license, and agrees not to compete in certain respects with your business and other franchisees' businesses. Our current form of this agreement is included as Exhibit D to this disclosure document.

If you are a legal entity, each shareholder, principal officer, partner, or member must personally guarantee your obligations under the franchise agreement and also agree to be personally bound by, and personally liable for breach of, the franchise agreement, by signing the guaranty agreement included as Attachment 5 to the franchise agreement. If a spouse is not a co-owner of a franchise, or is not a shareholder, principal officer, partner or member of a legal entity franchisee, he/she is not required to sign the guaranty agreement.

N. AREA DEVELOPMENT AGREEMENT

You (or if you are not an individual, your principal operating officer or partner) must personally oversee the selection of sites for franchised MP CONEY ISLAND restaurants to be developed under an area development agreement and also the development of those businesses.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

O. FRANCHISE AGREEMENT

You must offer for sale and sell only products and services that we have approved or authorized. You may not offer for sale or sell products or services that would detract from or be inconsistent with the MP CONEY ISLAND system. You may use products or services not purchased from us, but those products or services must be of comparable quality and must be approved by us in writing before use to ensure maintenance of proper quality standards. You may not use or permit the use of your premises for any other purpose or activity at any time without first obtaining our written consent. Your MP CONEY ISLAND restaurant must be a non-smoking facility.

You must offer for sale all approved products and services; must not deviate from our specifications for the approved products, services and suppliers without our written consent; and must discontinue offering any items that we disapprove in writing.

You must offer for sale and honor any incentive or convenience programs for customers that we may periodically institute, including any gift-card programs, in compliance with our standards and specifications for the programs (see Items 8 and 11 for more information). You must offer and honor any discounts that are part of any incentive or convenience program.

We will provide you with our standard pricing schedule for products and services offered by your MP CONEY ISLAND restaurant. We encourage you to charge the prices in the standard pricing schedule as it is revised periodically, but you will have the right to sell your products and services at any prices you determine, subject to you giving us at least 10 days' prior written notice of any non-standard prices you intend to charge, except to the extent that we exercise our right to establish minimum or maximum prices for any products or services. If we establish minimum or maximum prices for any products or services, you will have the right to charge any prices above the minimum prices or below the maximum prices, but will not be permitted to charge prices below the minimum prices or above the maximum prices.

We may change the types of products and services that we approve or authorize, if the products and services are compatible with the MP CONEY ISLAND system. There are no other limits on our right to make these changes.

You must be open for business each week for minimum hours and days as stated in our manuals, unless you are limited by local government regulation or you obtain a written variance from us. All sales must occur at or from your premises. You must offer carry-out services. You may offer catering and delivery services, subject to complying with all requirements in our manuals.

You are not restricted in the customers to whom you may sell approved products or services but you may not solicit business outside your territory through the use of a toll-free number, direct mail, a website, electronic communications or other advertising methods without our prior written approval.

P. AREA DEVELOPMENT AGREEMENT

The area development agreement does not restrict what you may sell. However, each franchise agreement contains restrictions on what may be offered by each MP CONEY ISLAND restaurant established under the area development agreement.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

Q. FRANCHISE AGREEMENT

This table lists certain important provisions of the franchise agreement and its attachments. You should read these provisions in the agreements in Exhibit A in this disclosure document.

Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	3.1	10 years
(b) Renewal or extension of the term	3.2	You have the right to renew for successive 10-year terms, if you meet the requirements for renewal.
(c) Requirements for franchisee to renew or extend	3.2	Notice, solvency, right to remain in possession of premises, no ceasing to do business, no danger to public, no repeated defaults or misrepresentations to us, timely submission of reports, no felonies or illegal conduct, signing of the then-current agreement, renewal fee, remodeling (if we require). If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.
(d) Termination by franchisee	Not applicable	Not applicable
(e) Termination by franchisor without cause	Not applicable	Not applicable
(f) Termination by franchisor with cause	26.1, 26.2 & 26.3	We may only terminate the franchise with cause.
(g) "Cause" defined – curable defaults	26.3	<u>10 Days to Cure</u>: failure to pay us or any affiliate any sum owing when due; failure to submit any information when due; failure to submit proof of insurance when due. <u>30 Days to Cure</u>: Failure to start or complete training on schedule, failure to comply with franchise agreement or our manuals, including: failure to maintain any standard or specification; unauthorized product or service offer; failure to obtain our prior written acceptance, approval or consent; misuse or unauthorized use of our system or trademarks; failure to pay personal attention to business; failure to maintain books and records; failure to pay any 3rd party (including any major supplier or taxing or licensing authority) any amount owing when due; failure to satisfy any other material obligation relating to your business.

Provision	Section in Franchise Agreement	Summary
(h) "Cause" defined – non-curable defaults	26.1	<u>Automatic Termination</u> : general assignment for creditors, involuntary bankruptcy petition not dismissed within 60 days, filing of voluntary bankruptcy petition, adjudication of bankruptcy, court-appointed receivership, foreclosure suit not dismissed within 30 days, premises or equipment sold after levy.
	26.2	<u>Termination on Notice</u> : insolvency; ceasing to operate business; criminal conviction; harmful improper activity; danger to public; repeated defaults; material misrepresentation; transfer, or failure to transfer, in violation of franchise agreement; violation of noncompetition or confidentiality provisions; tax lien, levy or enforcement suit; failure to purchase or lease a site on schedule; failure to submit a lease for approval before execution; underpayment or under-reporting of any amount due us by 5% or more for any 3-month period; termination of another franchise for a restaurant; failure to comply with U.S. anti-terrorism laws.
(i) Franchisee's obligations on termination/non-renewal	27	Fulfillment of continuing obligations under franchise agreement; de-identification; no use of our system, trademarks, confidential information, materials; delivery to us of our manuals, other materials received from us and customer data, and all copies of the same; assignment to us of telephone number(s); assignment to us of email addresses, etc.; cancellation of assumed name or equivalent registrations containing the MP CONEY ISLAND trademarks; final accounting; sale to us of assets and transfer to us of lease (at our option); see also (r).
(j) Assignment of contract by franchisor	25.1	There are no restrictions on our right to assign our interest in your franchise agreement.
(k) "Transfer" by franchisee – defined	25.2	Includes the conveyance or pledge of any interest in you (if you are a legal entity), franchise agreement or any related agreement, the franchise, or your business.
(l) Franchisor approval of transfer by franchisee	25.2	We have the right to approve all transfers. Our consent will not be unreasonably withheld.
(m) Conditions for franchisor approval of transfer	25.2(b), 25.3, 25.5(a) & 25.6	Substantial compliance with franchise agreement; transferee qualification; payments current; general release; written transfer agreement; transferee's signing of then-current franchise agreement; transferee's agreement to complete training; transfer fee; no exercise of our right of first refusal; equipment and premises updated to our then-current specifications; our consent to material terms of transfer; and subordination of obligations of transferee to transferor.
(n) Franchisor's right of first refusal to acquire franchisee's business	25.5	We may match any offer.

Provision	Section in Franchise Agreement	Summary
(o) Franchisor's option to purchase franchisee's business	25.6 & 27.3	On your death, disability or dissolution, your interest in the franchise must be transferred to an approved person within 240 days. Otherwise, we have the right (but not the duty) to purchase the assets of your business and obtain a transfer of your lease to us. Also, on expiration or termination of the franchise, we have the right (but not the duty) to purchase the assets of your business and obtain a transfer of your lease to us.
(p) Death or disability of franchisee	25.6 & 25.7	We have the right (but not the duty) to appoint a manager for your business pending transfer. See also (o).
(q) Non-competition covenants during the term of the franchise	21.2, 21.3, 21.4(a) & 21.10	No diversion of business, customers or personnel; no involvement in Competitive Business anywhere in the U.S.
(r) Non-competition covenants after the franchise is terminated or expires	21.3, 21.4(b), 21.10	No diversion of personnel for 1 year; no involvement for 2 years in Competitive Business in your territory, in the territory of any MP CONEY ISLAND restaurant operating or in planning at time of expiration or termination, within a 25-mile radius of any of any MP CONEY ISLAND restaurant operating or in planning at time of expiration or termination, or in the area of any MP CONEY ISLAND area developer operating at the time of expiration or termination.
(s) Modification of the agreement	28.3	Your franchise agreement may not be modified without your and our consent, but we may change the contents of our manuals; we may modify our system; and a court may modify any provision of the franchise agreement under applicable law.
(t) Integration/merger clause	28.1	Only terms of franchise agreement, including its attachments are binding (subject to state law). Any representations or promises outside of this disclosure document and the franchise agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	29.6 & 32	Except for certain claims, all disputes must be arbitrated in the county or city in which our home office is located at the time (subject to state law).
(v) Choice of forum	32.2 & 32.6	Litigation in courts nearest our home office at the time (subject to state law).
(w) Choice of law	29.6	Federal Arbitration Act and Pennsylvania law apply, except the law of the state where the largest geographic portion of your territory is located applies to non-competition covenants (subject to state law).

R. AREA DEVELOPMENT AGREEMENT

This table lists certain important provisions of the area development agreement and its related agreement. You should read these provisions in the agreements in Exhibit B in this disclosure document.

Provision	Section in Area Development or Related Agreement	Summary
(a) Length of the area grant term	2	Based on number of locations agreed to be developed, stated in Development Addendum
(b) Renewal or extension of the area grant	Not applicable	Not applicable.
(c) Requirements for area developer to renew or extend	Not applicable	Not applicable.
(d) Termination by area developer	Not applicable	Not applicable.
(e) Termination by franchisor without cause	Not applicable	We may only terminate the area grant with cause.
(f) Termination by franchisor with cause	15.1 to 15.3	With cause (automatic termination); with cause and notice; with cause, notice and 30 days to cure.
(g) “Cause” defined – curable defaults	15.3	Failure to properly maintain books and records, to pay personal attention to business, to obtain prior approvals, etc., to provide required information or amounts when due or to satisfy any other material obligation to us or 3 rd parties; misuse or unauthorized use of our system or trademarks; failure to comply with development schedule; 30-day cure for listed defaults.
(h) “Cause” defined – non-curable default “Cause” defined –non-curable defaults	15.1	<u>Automatic Termination</u> : general assignment for creditors; involuntary bankruptcy petition not dismissed within 60 days; filing of voluntary bankruptcy petition; adjudication of bankruptcy; court-appointed receivership; foreclosure suit not dismissed within 30 days; premises or equipment sold after levy.
	15.2	<u>Termination on Notice</u> : insolvency; criminal conviction; harmful improper activity; repeated defaults; material misrepresentation; underpayment or underreporting of any amount due us or any affiliate by 5% or more for any 3-month period; transfer, or failure to transfer, in violation of area development agreement; violation of confidentiality provisions; tax lien, levy or enforcement suit; termination of any franchise for a restaurant.
(i) Area developer’s obligations on termination/non-renewal	16	No use of our materials, designations (including the MP CONEY ISLAND trademarks), system or confidential information; return or destruction of materials; cancellation of assumed name or equivalent registrations containing any of the MP CONEY ISLAND trademarks; final accounting; see also (r).
(j) Assignment of contract by franchisor	14.1	No restriction on our right to assign.
(k) “Transfer” by area developer – defined	14.2	Includes the conveyance or pledge of any interest in you (if you are a legal entity), the area development agreement or any related agreement, the area grant, or any franchised business.
(l) Franchisor’s approval of transfer by area developer	14.2(a)	We have the right to approve all transfers, but our consent will not be unreasonably withheld.

Provision	Section in Area Development or Related Agreement	Summary
(m) Conditions for franchisor's approval of transfer	14.2(b)	Substantial compliance with area development agreement and franchise agreements; transferee qualification; payments current; general release; written transfer agreement; transferee's signing of then-current area development agreement; transferee training; transfer fee; no exercise of our right of first refusal; our consent to material terms of transfer; subrogation of transferee's rights in assets for amounts financed to our rights; see also (n).
(n) Franchisor's right of first refusal to acquire area developer's business	14.5	We may match any offer.
(o) Franchisor's option to purchase area developer's business	Not applicable	Not applicable.
(p) Area developer's death or disability	14.6	Area grant must be transferred to an approved person within 240 days of representative's appointment.
(q) Non-competition covenants during the term of the area grant	Not applicable	Not applicable
(r) Non-competition covenants after the franchise is terminated or expires	Not applicable e	Not applicable
(s) Modification of the agreement	17.3	Your area development agreement may not be modified without your and our consent, but we may change the contents of our manuals; we may modify the MP CONEY ISLAND system; and a court may modify any provision of the area development agreement under applicable law.
(t) Integration/merger clause	17.1	Only terms of area development agreement, including its attachments are binding (subject to state law). Any representations or promises outside of this disclosure document and the area development agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	18.6 & 21	Except for certain claims, all disputes must be arbitrated in the county or city in which our home office is located at the time (subject to state law).
(v) Choice of forum	21.2 & 21.6	Litigation in courts nearest our home office at the time (subject to state law).
(w) Choice of law	18.6	Federal Arbitration Act and Pennsylvania law apply (subject to state law).

Item 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item 19 contains the following 2022, 2023 and 2024 historical sales, cost and income information: the actual Gross Sales, costs, and gross and net income of the MP CONEY ISLAND restaurant in New Castle, PA that is operated by our affiliate, Mitsos Restaurants, LLC.

Gross Sales, Costs, and Gross and Net Income of MP CONEY ISLAND Restaurant in New Castle, PA in 2022, 2023 and 2024

Our affiliate, Mitsos Restaurants, LLC, operated an MP CONEY ISLAND restaurant in New Castle, PA during the entire 2022, 2023 and 2024 calendar years.

The following table shows the actual Gross Sales, costs, and gross and net income of the restaurant during the 2022, 2023 and 2024 calendar years, before certain costs such as interest, depreciation, taxes, etc., and both before and after assumed continuing franchise fees and APF contributions, based on financial statements prepared by our management affiliate.

	New Castle, PA			New Castle, PA		New Castle, PA	
	2022			2023		2024	
Gross Sales (1)	\$1,633,212	100%		\$1,651,889	100%	\$1,697,927	100%
Less Cash Disbursements for Goods Sold (2)	\$611,823	37%		\$658,826	40%	\$605,072	36%
Gross Income	\$1,021,389	63%		993,063	60%	\$1,092,855	64%
Less Labor Costs (3)	\$398,104	24%		412,755	25%	\$450,982	26%
Net Income (4)	\$623,285	38%		580,308	35%	\$641,873	38%

Notes:

- 1 "Gross Sales" mean all receipts, including all amounts received on a cash, charge or time basis, and including the value of all products or services received for products or services provided, without reserve or deduction for inability to collect, and including any proceeds from any business interruption or similar insurance applicable to any revenue loss of the business, but excluding: excise, sales and use taxes; gross receipts taxes or similar taxes separately stated to and collected from customers for transmittal to appropriate taxing authorities; and bona fide

discounts and refunds to customers. Gift cards generate receipts that are included in "Gross Sales" when they are redeemed by customers, not when they are sold. All percentages in the tables above are based on "Gross Sales."

2. "Cash Disbursements for Goods Sold" cover food, janitorial products, paper products, beverages, and miscellaneous supplies.
3. "Labor Costs" cover wages and overtime paid to all management and non-management employees working in the MP CONEY ISLAND restaurant, management bonuses, training costs, payroll taxes, workers' compensation costs, and employee benefit costs for items such as health insurance, holidays, vacation days and sick days. If you are the on-site manager of your MP CONEY ISLAND restaurant, your wages and bonuses would be covered by this item. Wage expenses for district managers, who supervise multiple store-level managers, have been excluded from these amounts.
4. This is "Net Income" before "Rent Costs," "Utility Costs," "Certain Other Costs," continuing franchise fees, and APF contributions. "Rent Costs" cover all payments to a landlord. "Utility Costs" cover gas, cable or satellite television, electric, telephone, water, and sewage. "Certain Other Costs" cover refunds to customers, bank charges, cleaning, contributions, dues and subscriptions, insurance, licenses and permits, office expenses, office supplies, penalties, printing and reproduction, professional fees, repairs and maintenance, taxes (but not income taxes), tee shirts, training/education, local advertising, debt service, interest, income taxes, depreciation, automobile or vehicle expenses, out-of-state travel expenses, intracompany management fees, and other miscellaneous items. You must pay us continuing franchise fees of 5% of Gross Sales. We currently do not require you to make APF contributions, but if we establish an APF, you must contribute 0% to 3% of Gross Sales to the APF.

General:

The Gross Sales, cost, and gross and net income information shown in the table above for the affiliate-owned MP CONEY ISLAND restaurant is substantiated by unaudited financial statements prepared on a cash basis by our affiliate in accordance with generally accepted accounting principles.

We are not aware of any material difference between the affiliate-owned MP CONEY ISLAND restaurant for which information is shown in this Item 19, and the franchised MP CONEY ISLAND restaurants described in this disclosure document.

Written substantiation for the financial performance representations will be made available to you on reasonable request.

One restaurant has sold and earned this amount. Your individual results may differ. There is no assurance that you'll sell or earn as much.

Other than the preceding financial performance representation, we do 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 John Mitsos, 2712 Wilmington Road, New Castle, PA 16105, (724) 944-1955, the Federal Trade Commission, and the appropriate state regulatory agencies

Item 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

Systemwide Outlet Summary For Years 2022 to 2024 ¹

Outlet Type	Year	Outlets At Start Of Year	Outlets At End Of Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company- Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	1	1	0
	2023	1	1	0
	2024	1	1	0

¹We do not own or operate any outlets. The outlet referenced in this table was owned and operated by our affiliate, MRL. The outlet that was owned and operated by MRL, and any other outlets that will be operated by MRL, are referred to as “company-owned outlets” in this Item 20. We had no franchised outlets in in 2022, 2023 or 2024.

TABLE NO. 2

**Transfers Of Outlets From Franchisees To New Owners
(Other Than Franchisor Or An Affiliate) For Years 2022 to 2024**

State	Year	Number of Transfers
All states	2022	0
	2023	0
	2024	0
TOTAL	2022	0
	2023	0
	2024	0

TABLE NO. 3

Status Of Franchised Outlets For Years 2022 to 2024

State	Year	Outlets At Start Of Year	Outlets Opened	Termina- tions	Non- Renewals	Reacquired By Franchisor	Ceased Operations – Other Reasons	Outlets At End Of Year
All states	2022	0	0	0	0	0	0	0
	2032	0	0	0	0	0	0	0
	2043	0	0	0	0	0	0	0
Totals	2022	0	0	0	0	0	0	0
	2032	0	0	0	0	0	0	0
	2043	0	0	0	0	0	0	0

TABLE NO. 4

Status Of Company-Owned Outlets For Years 2022 to 2024

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Re- Acquired From Franchisees	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
PA	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

TABLE NO. 5

Projected Openings as of December 31, 2024

State	Franchise Agreements Signed But Outlets Not Open as of December 31, 2024	Projected New Franchised Outlets as of December 31, 2024 (in 2025)	Projected New Company-Owned Outlets as of December 31, 2024 (in 2025)
PA	2	2	0
TOTALS	2	2	0

Exhibit G contains the names of our franchisees, and their addresses and telephone numbers, as of December 31, 2024 (2), and the address and telephone number of our company-owned outlet as of December 31, 2024 (1).

Exhibit H contains the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of each franchisee who had a franchise terminated or not renewed in 2024 (0), who had an outlet reacquired by us in 2024 (0), who ceased operations for other reasons in 2024 (0), or who had not communicated with us within 10 weeks of the issuance date of this disclosure document (0).

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

No current or former franchisees have signed confidentiality clauses with us during our last 3 fiscal years which would restrict them from speaking openly with you about their experience with us.

Item 21

FINANCIAL STATEMENTS

Exhibit F includes our audited financial statements for the years ended December 31, 2022, December 31, 2023 and December 31, 2024, Also included in Exhibit F is our unaudited financial statement for the period January 1, 2025 to May 31, 2025.

Item 22

CONTRACTS

Exhibit A includes the franchise agreement, state riders (if any), and all attachments, as follows:

- Attachment 1A – Reserved Area Addendum
- Attachment 1B – Site Addendum
- Attachment 1C – Territory Addendum
- Attachment 2 – Telephone and Internet Service Transfer Consent and Authorization
- Attachment 3 – ACH Origination Authorization

Attachment 4 – Legal Entity Information Sheet
Attachment 5 – Guaranty Agreement
Attachment 6 – Lease Addendum

Exhibit B includes the area development agreement, state riders (if any), and all attachments, as follows:

Attachment 1 – Area Addendum
Attachment 2 – Development Addendum
Attachment 3 – Legal Entity Information Sheet
Attachment 4 – Guaranty Agreement

Exhibit C includes the Franchisee/Area Developer Questionnaire.

Exhibit D includes the suggested form of Manager/Supervisor Confidentiality and Non-Competition Agreement.

Exhibit E includes the sample form of General Release to be signed on transfer or renewal.

Item 23

RECEIPTS

Exhibit J includes detachable documents acknowledging your receipt of this disclosure document.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

- (1) Item 5 is modified to include the following:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

- (2) Item 17(h) is modified to state that provisions allowing termination on bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. § 101 et seq.).
- (3) Item 17(m) is modified to state that the general release required as a condition of transfer will not apply to any claim arising under the Maryland Franchise Registration and Disclosure Law.

- (4) Item 17(v) of this disclosure document is amended to include the following:

The Pennsylvania venue provision will not supersede your right to bring claims under the Maryland Franchise Registration and Disclosure Law in a Maryland court.

- (5) Item 17(w) is modified to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- (6) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

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

- (7) The Franchisee Questionnaire does not apply to Maryland franchisees, and Maryland franchisees should not answer the Franchisee Questionnaire.

EXHIBIT A

FRANCHISE AGREEMENT, STATE RIDERS AND ATTACHMENTS

FRANCHISE AGREEMENT AND ATTACHMENTS

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MARYLAND RIDER TO FRANCHISE AGREEMENT

Attachments:

- 1A Reserved Area Addendum
- 1B Site Addendum
- 1C Territory Addendum
- 2 Telephone and Internet Service Transfer Consent and Authorization
- 3 ACH Origination Authorization
- 4 Legal Entity Information Sheet
- 5 Guaranty Agreement
- 6 Lease Addendum

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is entered into between MP Coney Island Franchising, LLC, a Pennsylvania limited liability company with its principal office at 2712 Wilmington Road, New Castle, PA 16105 ("we", "us" or "our") and _____ whose address is _____ ("you" or "your"), as of _____ ("Effective Date").

RECITALS

A. We have expended time, skill, money and effort to develop a system for establishing and operating MP CONEY ISLAND restaurant that offers hot dogs, hamburgers and french fries (featuring our proprietary chili sauce) (the "System").

B. We also have expended time, skill, money and effort in publicizing the System and the products and services offered under the System. We have developed and will continue to develop valuable goodwill in the service mark, trademark and trade name MP CONEY ISLAND, and in its trade dress; and have or may develop or acquire other service marks, trademarks, trade names and trade dresses for use under the System, all of which marks, names and dresses are or will be our sole property (the "Marks").

C. We franchise others to use the System and the Marks, and provide to you continuing advice on the establishment and operation of an MP CONEY ISLAND restaurant.

D. You desire to establish and operate an MP CONEY ISLAND restaurant, to use the Marks and all other elements of the System, and to derive the benefits of the System as developed by us. You acknowledge that it is essential to the maintenance of the high standards which the public has come to expect of MP CONEY ISLAND products and services, and to the preservation of the integrity and goodwill of the Marks, that you adhere to the standards for the establishment and operation of an MP CONEY ISLAND restaurant.

In consideration of the recitals above and of the terms below, we and you agree:

1. GRANT OF FRANCHISE

1.1 Subject to the terms of this Agreement, we grant to you the right, and you undertake the duty, to establish and operate an MP CONEY ISLAND restaurant (the "Franchised Business") for the term described in Section 3 (the "Franchise").

1.2 The Franchise includes the right and obligation to sell MP CONEY ISLAND products and services.

1.3 The Franchise includes the right and obligation to use the complete System, as it exists or may be supplemented or modified during the term of the Franchise. You agree that the System will continue to evolve to reflect changing market conditions and to meet new and changing consumer demands, and that variations and additions to the System may be required to preserve and enhance the public image of the System and to ensure the continuing operational efficiency of MP CONEY ISLAND restaurants generally. Accordingly, you agree that we may, on notice and acting reasonably, add to, modify, upgrade and change the System, including the adoption and use of new and modified, upgraded or changed service marks, trademarks, trade names, trade dresses, equipment, techniques and methodologies relating to the preparation, marketing, promotion and sale of MP CONEY ISLAND products and services, but

any additions, modifications, upgrades or changes may not unreasonably increase your obligations under this Agreement or place an excessive economic burden on the Franchised Business. You further agree to promptly accept, implement, use and display in the operation of the Franchised Business all of those additions, modifications, upgrades and changes at your expense.

2. RESERVED AREA, SITE, TERRITORY AND OUR RESERVATIONS OF RIGHT

2.1 Reserved Area. If you have not located a site for the Franchised Business by the time of execution of this Agreement, you agree that you will seek to locate the Franchised Business only at a site acceptable to us within the geographic area ("Reserved Area") identified in the Reserved Area Addendum (Attachment 1A).

2.2 Site. When you have located a site for the business acceptable to us, the site will be identified in the Site Addendum (Attachment 1B). If the possession or ownership of or lease for the site of the business expires or terminates without fault of you, or if the site is destroyed, condemned or otherwise rendered unusable, or if in our judgment there is a change in character of the site of the Franchised Business sufficiently detrimental to its business potential to warrant its relocation, we may grant you permission to relocate the Franchised Business to another site acceptable to us within the Territory. Any relocation will be at your sole expense.

2.3 Territory. The territory for your site ("Territory") will be identified in the Territory Addendum (Attachment 1C). You acknowledge that the Territory may be different from the Reserved Area. During the term of the Franchise, we will not establish or operate, or grant any person other than you the right to establish or operate, an MP CONEY ISLAND restaurant at any traditional venue in the Territory.

2.4 Our Reservations of Right. We, on behalf of ourselves and our affiliates, designees and assignees, reserve the sole and absolute right, without offering you the right to participate:

(a) to establish and operate, and to grant to others the right to establish and operate, MP CONEY ISLAND restaurants at locations anywhere outside the Territory, including locations near the Territory's boundaries;

(b) in or outside the Territory, to offer and sell products and services that are the same as the products and services offered by MP CONEY ISLAND restaurants, or different products and services, using MP CONEY ISLAND trademarks or different trademarks;

(c) in or outside the Territory, to establish and operate, and to grant others the right to establish and operate, MP CONEY ISLAND restaurants that are located within non-traditional venues, such as convention centers, airports, hotels, sports facilities, theme parks, hospitals, transportation facilities, venues in which master concessionaires provide foodservice, and similar captive market locations;

(d) in or outside the Territory, to sell any products or services, using MP CONEY ISLAND trademarks or different trademarks, through alternative channels of distribution, such as grocery stores, convenience stores, ghost kitchens, mobile vans or trucks, and the Internet;

(e) to acquire and continue to operate, directly or indirectly, any business operating under different trademarks in or outside the Territory;

(f) to acquire and retain, directly or indirectly, the rights and obligations of any franchisor or licensor of any business operating under different trademarks in or outside the Territory;

(g) in or outside the Territory, to acquire, establish and promote other franchise systems involving different products or services using different trademarks, and to establish company-owned or franchised outlets for those systems;

(h) to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any other person, including a competing business, even if such person operates, franchises and/or licenses businesses in close proximity to the Franchised Business; and/or

(i) to engage in other activities not expressly prohibited by this Agreement.

3. TERM OF FRANCHISE

3.1 Initial Term. The Franchise will begin on the date we execute this Agreement, will continue for an initial term of 10 years unless sooner terminated under Section 26, and will expire at the end of the initial term or any renewal term unless renewed under Section 3.2.

3.2 Renewal Terms. You will have the right to renew the Franchise for successive 10-year terms, if:

(a) You have given us written notice, not more than 1 year and not less than 180 days before the expiration of the prior term, of your intention to renew;

(b) You are solvent (are able to pay your debts as they come due and have assets that are greater than your debts), have not lost the right to remain in possession of the premises where the Franchised Business is located, have not abandoned the Franchised Business, are not operating the Franchised Business in a manner that endangers public health or safety, have not repeatedly committed defaults of this Agreement during the prior term, have not repeatedly failed to submit timely reports to us during the prior term, and have not repeatedly submitted false or incomplete reports to us during the prior term;

(c) You, or any of your principal officers, partners, or members if you are a legal entity have not been convicted of a felony or a crime involving moral turpitude, consumer fraud or any other offense that is reasonably likely, in our sole judgment, to have an adverse effect on the Marks, the System, the goodwill associated with the Marks or System, or our interest in the Marks or System;

(d) You have signed our then-current franchise agreement for the renewal term and paid us a renewal fee equal to 10% of our then-current initial franchise fee for a comparable 1st franchise. You acknowledge that our then-current franchise agreement may contain terms substantially different from those in this Agreement, including different fees, advertising contributions, training requirements and territory. Depending on the then-current demographics of the Territory, and on our then-current standards for territories, if the Territory is larger than our then-current standard territory, we may require you to accept a renewal territory smaller than the Territory; and

(e) At our option, you remodel the Franchised Business to conform it to our then-current requirements, except that you will not be required to expend more than 10% of your prior year's Gross Sales to accomplish any required remodeling.

4. PERSONAL ATTENTION OF FRANCHISEE OR MANAGER TO BUSINESS

4.1 You (or if you are not an individual, your principal operating officer, partner or member), or a Manager who has successfully completed all required initial training, must personally manage the Franchised Business at all times.

4.2 You understand and agree that the success of the Franchised Business will depend on personal, continued and full-time attention to the Franchised Business by you, your principal operating officer, partner or member, or your Manager. Personal, continued, and full-time attention will include at least: availability during normal and peak business periods; participation in the development and implementation of management and operational policies; and involvement in the training and supervision of employees and independent contractors to ensure that the System is followed.

5. ESTABLISHMENT AND MAINTENANCE OF BUSINESS

5.1 Selection of Site. You represent that you own or will purchase or sign a lease for the site of the Franchised Business in accordance with our requirements. For purposes of this Agreement, the term "lease" includes a sublease. If the site of the Franchised Business has not been located by you and accepted by us before execution of this Agreement, it is your obligation to locate and lease or purchase a site suitable for the operation of the Franchised Business and acceptable to us in the Reserved Area within 6 months after the Effective Date. If you are delayed from completing the purchase or signing a lease for the site within 6 months, you must immediately provide us with a written request to extend the time to complete the purchase or sign the lease. The request must state: (1) that a delay is anticipated; (2) the reasons which caused the delay; (3) the efforts that you are making to proceed with the purchase or lease; and (4) an anticipated date that you will close on the purchase or sign the lease. In considering the request, we will not unreasonably withhold our consent to a delay, up to a maximum of 60 days, if you have been diligently pursuing locating a site and closing on a purchase or signing a lease for the site. We will not unreasonably withhold acceptance of any site that meets our minimum standards for size and layout. We will give you written notice of acceptance or rejection of the proposed site within a reasonable time after receiving written notice of your proposed site and letter of intent or other evidence satisfactory to us confirming your favorable prospects of obtaining the proposed site. We agree to expend time and effort as may reasonably be required to evaluate the site proposed by you.

5.2 Ownership of or Lease for Site. Any lease or replacement lease for the site, or any lease for acceptable substitute site, must include the Lease Addendum attached to this Agreement as Attachment 6 or equivalent provisions in place of the addendum that we approve. You agree to provide us with a copy of the lease before execution, and you agree not to sign the lease until you have received our written approval. You agree not to modify the lease in any way that would adversely affect our rights without our written approval. Your execution of a lease or purchase agreement for the site of the Franchised Business will constitute acceptance by you of the site and of the terms of the lease or purchase agreement, and a waiver of any claim or right against us relating to the choice of the site or the terms of the lease or purchase agreement. You acknowledge that our acceptance of any site does not constitute any

assurance that an MP CONEY ISLAND restaurant will be profitable at that site or more profitable at that site in comparison to other sites. Our acceptance is only an indication that the particular site meets our minimum criteria.

5.3 Development of Business. You agree to develop the Franchised Business in accordance with our specifications. You will, promptly after obtaining possession of the site of the Franchised Business, and before opening, do or cause to be done all of the following:

(a) Before building out the site of the Franchised Business, prepare and submit to us for acceptance, which will not be unreasonably withheld, plans for the Franchised Business (or any deviations from the plans) (including, but not limited to, plans for construction, dimensions, exterior design, materials, interior layout, equipment installation, fixtures, furniture, signs and decorating), which plans will comply with our specifications for an MP CONEY ISLAND restaurant. In connection with the preparation and any modification of the plans, we will provide you with assistance regarding the design and layout of the Franchised Business (including a preliminary layout for the premises), and the selection of equipment and supplies. After being accepted, the plans may be further modified only to the extent necessary to comply with applicable ordinances and building codes, and applicable permits, lease and deed requirements and restrictions. All plans and modifications will be subject to our prior written acceptance.

(b) Obtain all required building, driveway, utility, sign and business permits and licenses, and any other required permits and licenses necessary for the establishment and operation of the business, including a liquor license if required by us.

(c) Construct all required improvements to the premises, decorate the premises in compliance with plans and specifications accepted by us and otherwise conform the premises to all applicable ordinances and building codes, and all applicable permit, lease and deed requirements and restrictions and our specifications, as modified by you with our prior written approval to fit the particular site, and obtain all customary contractors' sworn statements and partial and final waivers of liens for construction, remodeling, decorating and installation services.

(d) Purchase, lease and install all equipment, fixtures, furniture and signs required for the Franchised Business as listed in our specifications.

5.4 Equipment, Fixtures, Furniture and Signs. You agree to use in the operation of the Franchised Business only those brands and models of equipment, fixtures, furniture and signs that we have approved for MP CONEY ISLAND restaurants as meeting our standards and specifications. Specifications may include minimum standards for design, appearance, function, performance, serviceability and warranties. You further agree to place or display at the premises of the Franchised Business (interior and exterior) only the signs, emblems, lettering, logos and display materials that we approve in writing. You may purchase approved brands and models of equipment, fixtures, furniture and signs from any supplier, including us or our affiliates, where applicable. If you propose to purchase any brand and/or model of equipment, fixture, furniture or sign which is not then approved by us, you will first notify us and will submit to us, on our request, sufficient written specifications, photographs, drawings and/or other information or samples for a determination by us of whether the brand and/or model of equipment, fixture, furniture or sign complies with our standards and specifications, which determination will be made and communicated to you within a reasonable time. See Section 14.2.

5.5 Business Opening. You agree to complete improvements and open for business within 12 months after the Effective Date, subject to our opening schedule availability. If you are delayed from opening within 12 months, you must immediately provide us with a written request to extend the time to open. The request must state: (1) that a delay is anticipated; (2) the reasons which caused the delay; (3) the efforts that you are making to proceed with opening; and (4) an anticipated date that you will open. In considering the request, we will not unreasonably withhold our consent to a delay, up to a maximum of 60 days, if you have been diligently pursuing opening.

5.6 Grand Opening. You agree to conduct a grand opening marketing program that we approve for the Franchised Business. This marketing program will be in addition to marketing conducted under Sections 16.2 and 16.3 of this Agreement, and will use marketing and public relations programs and media and advertising materials that we approve. We will furnish advice and guidance to you as to the grand opening marketing program. On our request, you will participate in a joint grand opening program with other franchisees whose facilities are located in the same advertising market and who are opening MP CONEY ISLAND restaurants at about the same time.

6. CONTINUOUS OPERATION OF BUSINESS

6.1 You must operate the Franchised Business on a continuous basis throughout the year, and must be open for business each week for the minimum hours and minimum days stated in our manuals, unless you are limited by local government regulation or you obtain a written variance from us.

7. LIMITATIONS ON ACTIVITIES OF BUSINESS

7.1 In order to preserve the System and the identification of MP CONEY ISLAND franchisees operating under the Marks, you agree that the Franchised Business will not engage in activities other than those approved under the System. You further agree that you must obtain our prior written consent to offer or sell any products or services other than those approved under the System.

7.2 You may not engage in any deceptive or unfair trade practice or other activity, or offer any service or product which is harmful to the goodwill or reputation of you, us, our franchisees generally, the System or the Marks.

7.3 You must maintain the menu for the Franchised Business in the form provided or specified by us. We may require you to modify the menu on reasonable written notice. You may modify the menu only with our prior written consent, which we may not arbitrarily withhold, subject to the following procedures:

(a) You must submit to us, in writing, any proposed menu modifications;

(b) You must submit to us, if we request, samples of any proposed new or modified menu items; and

(c) Within 60 days, we will notify you, in writing, whether any proposed menu modifications, or any proposed new or modified menu items, items have been approved or disapproved and, if disapproved, the reasons for the disapproval.

7.4 You may not maintain your own website in connection with the Franchised Business on the Internet, or on any comparable electronic network of computers or other devices.

7.5 You may participate in electronic communications in connection with the Franchised Business, on the Internet or on any comparable electronic network of computers or other devices, through emails, social media platforms or other means, only in accordance with our manuals and our written instructions particular to the communications.

8. PRICING; GIFT CARDS; INCENTIVE OR CONVENIENCE PROGRAMS

8.1 Pricing. We will provide you with our standard pricing schedule for products and services offered by the Franchised Business. We encourage you to charge the prices in the standard pricing schedule as it is in effect and as it may be revised from time to time, but you will have the right to sell your products and services at any prices you determine, subject to you giving us at least 10 days' prior written notice of any non-standard prices you intend to charge, except to the extent that we exercise our right to establish minimum or maximum prices for any products or services, as described below. If you sell your products and services at the prices in the standard pricing schedule, you acknowledge that we have made no guarantee or warranty that offering the products or services at those prices will enhance your sales or profits. We retain the right to establish minimum or maximum prices for certain products and services, in our sole discretion on 30 days' prior written notice, to the fullest extent permitted by applicable law, on a nationwide or advertising market basis, or on a limited-time-only or longer-term basis. If we establish any minimum or maximum prices for any products or services, you will have the right to charge any prices above the minimum prices or below the maximum prices, but will not have the right to charge prices below the minimum prices or above the maximum prices.

8.2 Gift Cards. We reserve the right to establish policies regarding the use of gift cards, stored value cards, courtesy cards, coupons, loyalty cards and other comparable marketing items for you and others. You agree that the Franchised Business will offer for sale only the gift cards, stored value cards, courtesy cards, coupons, loyalty cards and other comparable marketing items that we may authorize and/or require. You will not sell or otherwise issue gift cards, stored value cards, courtesy cards, coupons, loyalty cards or comparable marketing items without our express written authorization and we will have the right to withdraw or modify our authorization at any time. You will honor all validly issued gift cards, stored value cards, courtesy cards, coupons, loyalty cards or other comparable marketing items and will strictly follow all policies and procedures that we may periodically establish in this regard.

8.3 Incentive or Convenience Programs. You acknowledge and agree that incentive or convenience programs may be effective methods to encourage customer visits to the Franchised Business. You must offer for sale and honor any incentive or convenience programs for customers that we periodically institute, and must do so in compliance with any standards and specifications that we establish for such programs in our manuals or otherwise in writing.

9. FEES PAYABLE TO US

9.1 Initial Franchise Fee. If this Agreement is not being signed as part of a renewal or transfer of the Franchise, you must pay us on signing, an initial franchise fee of

\$35,000 by certified or cashier's check, or by ACH/wire transfer. If you have signed an area development agreement with us, the initial franchise fee for your second and additional MP CONEY ISLAND restaurants to be developed under your area development agreement is \$28,000. Except as stated below, the fee or any portion of the fee is non-refundable and fully earned by us when paid. If, during initial training, we decide, in our sole discretion, that you should not operate an MP CONEY ISLAND restaurant, we may cancel this Agreement. If we cancel this Agreement, we will deduct our out-of-pocket expenses, including any broker referral fees, and will refund up to 50% of the initial franchise fee if you agree to terms substantially similar to those in Sections 19.1, 19.9, 20, 21.3, 21.4(b), 21.5 to 21.8, 27.1 to 27.2, and 32.

9.2 Continuing Franchise Fees. You must pay us continuing franchise fees of 5% of Gross Sales (as defined in Section 9.11). This fee is due and payable weekly, for the preceding week's sales, by electronic transfer. We will initiate the draft from your bank account. Each month, we require you to send us the "Monthly Franchise Report" then-specified in our manuals. During any period of business disruption, you must continue to pay us this fee weekly based on your average weekly payments during the 12-week period immediately preceding the period of business disruption.

9.3 Advertising and Promotional Contributions. See Section 16.

9.4 Training Fees. See Sections 11.2(b) and (d), 11.4 and 11.5.

9.5 Annual Conference Fee. See Section 11.2(c).

9.6 Audit Fee. See Section 13.7.

9.7 Renewal Fee. See Section 3.2(d).

9.8 Transfer Fee. See Section 25.2(b)(viii).

9.9 Interest and Late Fees. If any sum you must pay us under this Agreement is not actually received by us by the due date, that sum will bear interest calculated daily after the due date until paid at the lesser of a rate equal to 10% per annum or the highest rate of interest allowed by law. If the due date for a sum is not stated in this Agreement, generally it will be the 30th day after the billing date. Any payment received toward an overdue sum will first be applied to the interest due and will be applied to the overdue sum only after all outstanding interest is paid. You also must pay a late fee of \$100 for each past due payment or late report. Interest and late fees will be in addition to any other rights or remedies that we have under this Agreement or otherwise. Regardless of your designation, we, in our sole discretion, may apply your payments to any of your past due indebtedness to us or our affiliates. See also Section 13.7.

9.10 Reimbursements and Penalty Fees. You must reimburse us for any charges that we incur on your returned checks, declined charges or similar financial defaults. You also must pay us penalty fees for such defaults and for unpaid invoices to you for products or services, as outlined in our manuals.

9.11 Gross Sales. For purposes of this Agreement, "Gross Sales" mean all receipts of the Franchised Business, including all amounts received on a cash, charge or time basis, and including the value of all products or services received for products or services provided, without reserve or deduction for inability to collect, and including any proceeds from any business interruption or similar insurance applicable to any revenue loss of the Franchised Business, but excluding: excise, sales and use taxes; gross receipts taxes or similar taxes

separately stated to and collected from customers for transmittal to appropriate taxing authorities; and bona fide discounts and refunds to customers. Our current policy on coupons and gift cards is as follows: Coupons generate receipts that are included in "Gross Sales" when they are redeemed by customers. At that time, the full retail prices of the items sold under the coupons are included in receipts, and the discounts given under the coupons are excluded as bona fide discounts when calculating "Gross Sales." Gift cards generate receipts that are included in "Gross Sales" when they are redeemed by customers, not when they are sold. We may change this policy on reasonable written notice to you.

9.12 Withholding of Sums Payable. You agree that you will not, on grounds of the alleged non-performance by us of any of our obligations under this Agreement, withhold payment of any fee or other sum payable to us under this Agreement, or of any other sum payable to us or our affiliates.

9.13 Electronic Payment Authorization. You must pay all on-going or periodic fees to us by automatic bank draft or electronic funds transfer on the due date that we specify for each fee. If the due date specified for any fee is not a business day, we will draft your account on the next business day. You agree to execute Attachment 3 or any comparable documentation necessary for us to effect an automatic bank draft or electronic funds transfer.

9.14 Unauthorized Product or Service Fee. If you offer any product or service that we have not authorized or approved, following written notice from us, you must: (i) cease and desist offering or providing the unauthorized or unapproved product or service; and (ii) pay us on demand, an unauthorized product or service fee of \$250 per day for each day such unauthorized or unapproved product or service is offered by you. This fee will be in addition to all other remedies available to us under this Agreement or at law.

10. PRODUCTS AND SERVICES FURNISHED BY US

10.1 During the term of the Franchise, we provide the following:

(a) At no charge to you beyond the initial franchise fee, within 30 days of the signing of this Agreement, our initial materials for establishing an MP CONEY ISLAND restaurant;

(b) Our standard pricing schedule for products and services offered by the Franchised Business (see Section 8.1);

(c) Training programs and assistance as described in Section 11;

(d) Confidential Operations Manual (paper copies or Intranet access) as described in Section 12;

(e) Updates to the Confidential Operations Manual (paper copies or Intranet access) as described in Section 12;

(f) Specifications for fixtures, equipment, inventory, supplies and services used under the System, and continued efforts to negotiate purchasing agreements with suppliers for equipment, supplies and services, as described in Section 14;

(g) Samples of initial advertising and promotional materials and assistance in implementing an initial advertising and promotional program;

(h) Periodic efforts to report improvements in the System to you as they are developed or acquired by us in our sole discretion;

(i) Continuing assistance by telephone, electronic mail, voice mail, facsimile, mail, newsletters, or other methods, that we, in our sole discretion, deem reasonable under the circumstances;

(j) Manuals and related materials other than the Confidential Operations Manual, and updates to those manuals and related materials, that we, in our sole and absolute judgment, select (paper copies or Intranet access);

(k) Assistance with site selection, construction, set-up and opening;

(l) Guidance in initially organizing your business entity;

(m) In connection with the operation of the Franchised Business, provide reviews and analyses of your operations; and

(n) At our option, Intranet access to franchisee resources and company news.

10.2 If you request, we will furnish special guidance and assistance relative to the operation of the business, other than continuing assistance provided at no charge, at per diem charges we establish (currently \$500 per day, plus our out-of-pocket expenses). If you request special training of your personnel or other assistance in operating the business that must take place at the location of the Franchised Business, you must pay all expenses for training, including our then-current per diem charges and all reasonable transportation, meal and lodging expenses incurred by our personnel supplying the additional assistance.

10.3 We will maintain a website (or multiple websites) on the Internet, or on comparable electronic networks of computers or other devices, to advertise and promote the MP CONEY ISLAND system, and products and services marketed by us and our franchisees. We will permit you to maintain a standard listing on our primary website so long as you are in compliance with this Agreement and our manuals. We may link our website(s) to other websites, to social media platforms and in other manners we choose, in our sole discretion. Any representations and warranties of any kind whatsoever, express or implied, regarding our website(s), including representations and warranties as to the operation, functionality, lack of interruption or resources of our website(s), are expressly excluded. Without limiting the foregoing, we disclaim any implied warranties of merchantability and fitness for a particular purpose as to our website(s). As to any malfunctioning of our website(s), we will not be liable to you for any consequential, incidental, indirect, economic, special, exemplary or punitive damages, such as, but not limited to, loss of revenue or anticipated profits or lost business, even if you have advised us that these damages are possible as a result of any breach of warranty or malfunction.

10.4 Our obligations under this Agreement are to you. We may delegate our obligations to a third party of our choosing. No other person or entity, directly, indirectly or by subrogation, may rely on, enforce or obtain relief under this Agreement for any default by us or our designated representatives.

11. TRAINING

11.1 You and your employees and independent contractors must maintain the standards of skill, efficiency and quality associated with the System.

11.2 To assist you in establishing and maintaining those standards, we will provide training as follows:

(a) We will provide you (or if you are not an individual, your principal operating officer, partner or member) and your original Manager and assistant Manager, if any, initial training for the operation of an MP CONEY ISLAND restaurant, at locations we designate. You (or if you are not an individual, your principal operating officer, partner or member) and your original Manager, if any, must successfully complete initial training to our satisfaction before opening the Franchised Business. We will bear the cost of providing initial training, including the cost of basic materials and instructors, but you must pay your trainees' travel, lodging and meal expenses, and their wages and benefits, during the training.

(b) If the original or any succeeding Manager leaves your employ, a replacement Manager must successfully complete initial training at a location we designate, subject to our scheduling, within 8 weeks of the date of replacement. You must pay your replacement Manager's travel, lodging and meal expenses, and his or her wages and benefits, during the training. You must pay us our then-current training fee (currently \$500 per person per day) as to that training, if we provide replacement Manager training to you more than once per calendar year.

(c) At our option, we may conduct an annual conference for our franchisees to discuss and review new business and marketing. The conference may be held on a regional or national basis. We will provide you with notice of the time and place of the conference, which time and place we will determine. You (or if you are not an individual, your principal operating officer, partner or member) or your Manager must attend the conference. For each of your representatives attending the conference, you must pay a non-refundable per-attendee fee to us equal to the approximate out-of-pocket cost of holding the conference, and you also must pay your attendees' travel, lodging and meal expenses, and their wages and benefits, during the conference.

(d) You (or if you are not an individual, your principal operating officer partner or member) and your Manager, if any, must successfully complete remedial or follow-up training if, in our sole and absolute judgment, that training is necessary. We will bear the cost of providing remedial or follow-up training, but you must pay your Manager's travel, lodging and meal expenses, and his or her wages and benefits, during the training.

11.3 Except as provided in this Section 11, you, your trained Manager (if any) or your other trained personnel are responsible for training your other employees and independent contractors.

11.4 If you request our trainers to give any initial, remedial or follow-up field assistance at your location, you must pay us our per diem charges (currently \$500 per person per day) for those trainers, and must reimburse us for the reasonable travel, lodging and meal expenses of those trainers.

11.5 We may require you to make reservations for trainees or attendees in advance of any training or conference. We may require deposits for those reservations (which

may be refunded or, in our sole discretion, applied toward training or conference fees) and may charge cancellation fees if reservations are cancelled.

12. CONFIDENTIAL OPERATIONS MANUAL; ADDITIONAL MANUALS AND MATERIALS

12.1 We have developed copyrighted Confidential Operations Manual containing both mandatory standards, specifications, policies and procedures, and non-mandatory guidelines and recommendations, for the operation of the Franchised Business. The mandatory standards include mandatory policies and procedures. The Confidential Operations Manual is and will remain our exclusive property. You will merely be lent paper or read-only disk copies of, or be given Intranet access to, the Confidential Operations Manual during the term of the Franchise. We also may lend you paper copies or read-only disk copies of, or give you Intranet access to, additional manuals and materials we develop for aspects of the System. In order to protect our reputation and goodwill, the System and the Marks, you must operate the Franchised Business in strict conformance with the Confidential Operations Manual and any additional manuals or materials we develop that are lent to you.

12.2 You agree that we may modify the System, and that modifications to the System may require modifications to our manuals, including the Confidential Operations Manual. You agree to operate the Franchised Business in strict conformance with any modifications to our manuals. Modifications will be effective on receipt by you, unless we otherwise state. You agree that we will not be liable to you for any expenses, losses or damages sustained as a result of any such modifications, that you will not commence or join in any litigation or other proceeding against us complaining about any such modifications, and that you expressly waive any claims, demands or damages arising from or related to any such modifications.

12.3 The mandatory standards and specifications in our manuals, and any modifications to them that we make, are provisions of this Agreement as if fully stated in this Agreement. All references in this Agreement to the "Confidential Operations Manual" or "our manuals" mean to the mandatory standards and specifications in those manuals, including all modifications to them as of the time they are in effect.

12.4 You must at all times ensure that any paper or read-only disk copies of our manuals are up-to-date and kept in a secure place. If there is any dispute as to their contents, the master copies of our manuals maintained at our headquarters will be controlling.

12.5 You must treat the Confidential Operations Manual, and the other manuals and materials we develop and provide to you, as confidential, and must take all reasonable precautions to maintain the manuals' and materials' confidentiality. You may not, without our written consent, copy, duplicate, record or otherwise reproduce the Confidential Operations Manual, or the other manuals or materials we develop and provide to you, in whole or in part, or otherwise make the same available to any person who is not bound by the confidentiality terms of this Agreement, or who has not signed a separate confidentiality agreement substantially similar to our approved form (see Section 20.2).

13. ACCOUNTING PROCEDURES

13.1 You must use computerized record-keeping and accounting systems as we require.

13.2 You recognize the importance of financial and statistical analysis, and agree to provide us with weekly and monthly reports in the forms and at the times and places required in our manuals. All financial information you provide to us must be prepared in accordance with accounting methods we accept.

13.3 You must provide us annually, within 3 months after your fiscal year end, with a statement of revenue, expenses and income (or loss) for the year, and a statement of assets and liabilities as of the end of the year, which statements must be prepared in accordance with accounting methods we accept. At our option, we may require this statement to be prepared by an independent certified public accountant in accordance with the standards for a compilation or review. Simultaneously with this statement, you must provide us with copies of all tax returns you file for the year as to the Franchised Business, including federal and state income tax returns.

13.4 You must submit to us any other financial or statistical reports, records, statements or information that we reasonably deem to be required or desirable, in the forms and at the times and places we reasonably state, in our manuals or otherwise in writing.

13.5 All financial or statistical information you provide to us must be accurate and correct in all material respects.

13.6 We have the right to use any financial or statistical information you provide as we deem appropriate. We will not identify you as the source of that information, and will not disclose any information shown in any of your tax returns (other than information disclosed in other documents submitted to us) except: (i) with your permission; (ii) as required by law or compulsory order; or (iii) in connection with audits or collections under this Agreement.

13.7 During and for 5 years after the term of the Franchise, we or our designated agents have the right, at all reasonable times, to examine, copy and audit your and the Franchised Business' books, records and tax returns. If an examination or audit discloses any underpayment of any fee, you must promptly pay the deficient amount plus interest and a late fee as described in Section 9.9. If an examination or audit discloses an underpayment or understatement of any amount due us by 3% or more for any 3-month period, or if the examination or audit is made necessary by your failure to furnish required information or documents to us in a timely manner, you must, in addition, reimburse us for the cost of having your books examined or audited. If an examination or audit discloses an underpayment or understatement of any amount due us by 5% or more for any 3-month period, we will have the right to terminate the Franchise under Section 26.2(n). These rights will be in addition to any other rights or remedies we have under this Agreement or otherwise.

13.8 During and for 5 years after the term of the Franchise, you must maintain and preserve all books, records and accounts of the Franchised Business for at least 5 years after the close of the fiscal year to which the books, records and accounts relate.

14. EQUIPMENT, SOFTWARE, SUPPLIES, PRODUCTS AND SERVICES

14.1 You may obtain your equipment, software, supplies, products and services from whomever you decide, except that:

- (a) You will subscribe to an online computer network as we require;

(b) You will obtain from our exclusive or non-exclusive approved suppliers certain equipment, software, supplies, products and services as we require in our manuals. Unless we notify you otherwise, our exclusive approved supplier for our proprietary chili sauce is our affiliate, MP Coney Island Wholesale, LLC. The purpose of these designations of approved suppliers is to achieve and maintain quality and consistency in the System;

(c) You will obtain all other equipment, software, supplies, products and services that meet specifications listed in our manuals. The purpose of these specifications is to protect and maintain the goodwill of the System and the Marks; and

(d) You will participate in any purchasing or distribution cooperatives that we may establish, if we require your participation.

14.2 We reserve the right to inspect and re-inspect the products, supplies and facilities of your suppliers, to determine their conformity with this Section 14. We will maintain and make available to you a list of certain equipment, software, supplies and services that meet our specifications. We may modify this list. If you desire to use equipment or supplies not on the list, you will so notify us in writing before using the equipment or supplies and, if we so request, will provide us samples of the equipment or supplies and any relevant data. At our option, we will test any equipment or supply to determine whether it meets the required specifications and will notify you accordingly within a reasonable time. If we determine that any equipment or supply does not meet the required specifications, you agree that you will not use the equipment or supply in the Franchised Business. The supplier of any equipment or supply proposed for your use under this Section may be required to demonstrate to our reasonable satisfaction that:

(a) the supplier meets our specifications, including our quality, quantity, warranty, variety, service and safety specifications, for the equipment or supply and for the facilities used in the production and distribution of the equipment or supply;

(b) the supplier has the capacity to supply franchisee requirements;

(c) the supplier has a sound financial condition and business reputation; and

(d) the supplier will supply equipment or supplies to a sufficient number of our franchisees to enable us to economically monitor compliance by the supplier with our specifications.

14.3 We or an affiliate of ours may be an exclusive or non-exclusive approved supplier of a product or service, or may offer to sell to you products or services used in operating an MP CONEY ISLAND restaurant that you may purchase at your option. We or our affiliates will endeavor, to the extent we are able to do so based on total purchases by our franchisees, to negotiate volume purchasing arrangements for products and services, and to offer them to our franchisees at prices not otherwise generally available to the franchisees.

14.4 To the extent we are not the manufacturer of any equipment or supply that we may sell or provide to you, unless specifically stated otherwise in writing, we do not provide any warranty or guarantee to you or any third party, and you may not make any representation to the contrary to any third party. If we are able to secure from any manufacturer any warranty, guarantee or assumption of liability that we are authorized to convey to you, we will so notify you.

14.5 Security deposits or advance payments may be required by us or our affiliates as to your purchases of fixtures, equipment or supplies by you. You agree to pay all invoices rendered by us or our affiliates for equipment or supplies within 30 days after the dates of the invoices.

14.6 You agree to obtain licenses to use and to use all software that we require in the operation of the Franchised Business, and to comply with all standards and specifications that we require regarding proprietary software. Proprietary software may be developed and integrated into the System in our sole discretion. We or our designee will provide any initial issuances, upgrades or updates of proprietary software to you for reasonable fees. To the extent required software contains modules for personnel-related functions, such as employee timekeeping, employee scheduling or payroll processing, you will have the option to use those modules, to use alternate software to handle those functions, or to handle those functions in any other manner that you choose.

15. DESIGN AND APPEARANCE OF BUSINESS

15.1 Condition and Appearance of Business. The condition and appearance of an MP CONEY ISLAND restaurant is part of our trade dress. You agree to maintain the condition and appearance of the Franchised Business consistent with our trade dress and the image of the business as a clean, attractive, modern, sanitary, convenient and efficiently operated facility selling high quality products and services. If at any time, in our reasonable judgment, the general state of repair, appearance or cleanliness of the premises of the Franchised Business or its equipment, fixtures, furniture, signs or decor does not meet our standards or specifications, we will so notify you, specifying the action to be taken by you to correct the deficiency. If you fail or refuse to initiate, within 30 days after receipt of notice, and then continue, a bona fide program to undertake and complete any required maintenance within the timetable set by us, your failure or refusal will be considered a default for which we may terminate the Franchise. In addition, we will have the right, but will not be obligated, to enter the premises of the Franchised Business and effect required repairs, painting, decorating and/or replacements of equipment, fixtures, furniture, signs or decor on behalf of you, and you will have the obligation to pay the entire cost to us on demand. Your obligation to initiate and continue any required maintenance will be suspended during any period in which the maintenance is impractical due to war, civil disturbance, natural disaster, labor dispute or other event beyond your reasonable control.

15.2 You may make no change to your facility design or appearance without our prior written consent, and must maintain and renovate periodically, at your expense, the interior and exterior of the facility in the manner we reasonably require so as to maintain standards of design and appearance consistent with the image of the System. We will have the right to require remodeling changes to the facility at your expense no more often than once every 2 years, but you will not be required to expend more than 10% of your prior year's Gross Sales to accomplish any particular required remodeling and will not be required to do any particular required remodeling if it would occur within 1 year of the expiration date of any term of the Franchise. Costs associated with the repair, maintenance or upkeep of your facility, including repairs needed because of unusual wear and tear, do not apply toward the timing or cost limitations of remodeling.

15.3 You agree to purchase or lease, and to display at the Franchised Business, only signs, emblems, logos, lettering and pictorial materials that are in accordance with

specifications required by us in our manuals or otherwise in writing, subject to changes for which we have given our prior written consent. We have the right to revise the specifications for signs, emblems, logos, lettering and pictorial materials, and you must promptly alter your signs, etc., at your location to conform to the revised specifications. The alterations will be at your expense if revisions are required no more often than once every 3 years. Costs associated with the repair, maintenance or upkeep of your signs, etc. do not apply toward the timing or cost limitations of alterations.

15.4 You must maintain your facility and all adjacent areas in good, clean, attractive and safe condition at all times. You must, at your expense, undertake all maintenance and make all repairs, replacements, alterations and additions as required for that purpose, including periodic cleaning, repainting, repairs and replacement of obsolete fixtures, equipment, and furnishings as we reasonably require.

15.5 You, at your or your employees' and independent contractors' expense, will cause your employees and independent contractors to present themselves to customers, in terms of general appearance, dress and accessories, in accordance with the standards and specifications in our manuals or otherwise communicated to you in writing.

16. ADVERTISING AND PROMOTION

16.1 Recognizing the value of marketing and the importance of the standardization of promotions and public relations programs to the furtherance of the goodwill and public image of the System and the Marks, at our option, you agree to contribute to a system-wide advertising and promotional fund ("APF") during the term of the Franchise and on a weekly basis, an amount we determine that will not exceed 3% of your Gross Sales.

16.2 If we activate the APF on 60 days' prior written notice to you, the APF will be maintained and administered as follows:

(a) You will contribute to the APF weekly, based on your Gross Sales in the preceding week. This fee is payable weekly by electronic transfer. We will initiate the draft from your bank account. Each month, we require you to send us the "Monthly Franchise Report" then-specified in our manuals. During any period of business disruption, you must continue to pay us this fee weekly based on your average weekly payments during the 12-week period immediately preceding the period of business disruption.

(b) Any company-owned MP CONEY ISLAND restaurant will make contributions to the APF on a basis at least equal to that described in Section 16.1.

(c) We will direct all advertising and promotional programs, with the sole discretion of approval over agencies, spokespersons, creative concepts, materials, and media placements and allocations used in the programs. The APF will establish and maintain an online presence. You agree that the APF is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System, and that we and our designees undertake no obligation in administering the APF to make expenditures for you that are equivalent or proportionate to your contributions, or to ensure that you benefit directly or pro rata from the placement of advertising.

(d) You agree that the APF may be used to meet the costs of researching, preparing, maintaining, administering and directing advertising and promotional materials and programs (including the costs of conducting secret shopper programs; preparing

and conducting television, radio, magazine, newspaper, direct mail and coupon advertising campaigns and other public relations activities; employing advertising agencies; and providing promotional brochures and other marketing materials to franchisees in the MP CONEY ISLAND system). All sums contributed to the APF will be maintained in a separate account from our general funds and will not be used to defray our general operating expenses, except for reasonable administrative costs and overhead incurred in activities related to the administration or direction of the APF (up to 15%).

(e) If we spend less than the total of all contributions to the APF during any fiscal year, we have the right to retain those contributions for use in subsequent years. If we spend more than the contributions accumulated in the APF during any fiscal year, we will have the right to receive from the Fund, reimbursement or credit during the same or subsequent years to the extent of the excess expenditure.

(f) An unaudited summary report on the operation of the APF will be prepared annually and will be made available to you on request 90 to 120 days after fiscal year end.

(g) Although the APF is intended to be of perpetual duration, we retain the right to terminate the APF. The APF will not be terminated, however, until all contributions have been used for the purposes described above or returned to contributors on a prorated basis. If we have terminated the APF, we may later reinstate the APF at any time.

(h) We may establish an advertising council of franchisees. The council will advise us on advertising policies. Franchisees will elect the members of the council. The council will be advisory and have no operational or decision-making power. The council will operate under its own bylaws, but we will have the right to change or dissolve the council.

(i) We may establish a cooperative advertising program for the benefit of all MP CONEY ISLAND restaurants located within a particular region. We have the right to (a) allocate any portion of the APF to a cooperative advertising program; and (b) collect and designate all or a portion of the expenditures for local advertising required in Section 16.3 for a cooperative advertising program. We will determine the geographic area for each cooperative advertising program. You must participate in any cooperative advertising program established in your region if we require your participation. If a cooperative advertising program is implemented in a particular region, we may establish a cooperative marketing committee for franchisees in that region to self-administer the program.

16.3 Local Advertising and Use of Advertising Materials.

(a) You must spend at least 1% of your annual Gross Sales on local advertising, in accordance with a local advertising plan that you prepare and we approve annually. You may not solicit business outside the Territory through the use of a toll-free number, direct mail, a website, electronic communications or other advertising methods without our prior written approval.

(b) You must submit to us, for our approval, all materials to be used for local advertising, unless they have been approved before or they consist only of materials we provided. All materials containing our proprietary marks must include the designation TM (trademark), SM (service mark), ® (registered trademark), © (copyright), or any other designation we specify. If you do not receive written or oral disapproval of any materials submitted within 15 days after the date we receive the materials, the materials are approved. We

may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved. We must make this requirement in writing, and you have 5 days after receipt of our notice to withdraw and/or discontinue use of the materials or advertising. You must include in any significant display advertisements, and in marketing materials for the Franchised Business, in conformance with standards and specifications in our manuals, a notice that the Franchised Business is individually owned and operated. Subject to any legal restrictions, you also must display or make available, in the reception area of the Franchised Business, marketing materials that we provide to you about the purchase of MP CONEY ISLAND franchises, but you have no responsibility or authority to act for us in franchise sales.

16.4 You acknowledge and agree that we will own all rights to and interest in each telephone number, directory listing, email address, domain name and comparable electronic identity used by you that is associated in any manner with the Franchised Business and/or with any Mark ("Listing"). You acknowledge and agree that all goodwill arising from or in connection with the use of each Listing will inure to our benefit. Promptly after the expiration, termination, repurchase or transfer of the Franchise, and at your own expense, you will notify all telephone companies and Internet service providers or comparable Internet authority with whom you have any Listing and direct them to transfer the Listing to us, or any person(s) we designate; and you will execute any and all documents necessary to complete these transfer(s). On the execution of this Agreement, you will sign a telephone and Internet service transfer consent and authorization, in a form substantially similar to Attachment 2, granting us the authority to change, transfer or terminate your Listing(s), on your behalf. We will use this authorization for your Listing(s) only if you do not comply fully with this Section 16.4 after the expiration, termination, repurchase or transfer of the Franchise.

17. INSURANCE

17.1 You must secure before opening the Franchised Business, and then must continuously maintain during the term of the Franchise, insurance at your expense, as follows:

(a) Workers' compensation insurance as required by the law of the state or jurisdiction in which you are engaged in business. This insurance must be maintained for trainees, as well as for those employed or engaged in the operation of the Franchised Business.

(b) Comprehensive general liability insurance with limits of at least \$1,000,000 per person per occurrence (and \$2,000,000 aggregate for bodily injury) and at least \$25,000 for property damage per occurrence.

(c) "All risk" insurance on the premises, equipment (except portable equipment) and supplies, for loss or damage by fire, windstorm, flood, casualty, theft and other risks usually insured against by the owners or landlords of similar property. The insurance must be for at least 90% of the replacement cost of the property. Unless you obtain a written waiver from us, any MP CONEY ISLAND restaurant sustaining loss or damage must be repaired, restored or rebuilt within 60 days after the date of the loss or damage.

(d) Business interruption insurance for a period of at least 12 months.

(e) Such insurance and types of coverage as may be required by your landlord or by the terms of any lease for the premises of the Franchised Business or by the municipality, county, state or other local jurisdiction in which the Franchised Business is located.

(f) Comprehensive commercial automobile liability insurance for any vehicle operated by, or on behalf of, the Franchised Business, including owned, hired and non-owned vehicle coverage of at least \$500,000.

(g) Crime insurance for employee dishonesty in the amount of \$10,000 combined single limit.

(h) Cyber liability insurance with a limit of at least \$100,000 per occurrence.

(i) Employment practices liability insurance (EPLI) with a limit of at least \$100,000 per occurrence.

17.2 If circumstances require for the protection of you and us, we, in our sole discretion, may increase or modify the insurance limits noted above and may require additional types of insurance. If we determine that any required insurance is not generally available to you at a cost that we, in our sole and absolute judgment, deem to be reasonable, then we may modify the insurance requirements to provide for lower limits until the insurance becomes available at a reasonable cost.

17.3 Each insurance policy you maintain for the Franchised Business, except the workers' compensation and employment practices liability policies, must: name us, and our affiliates, successors, assigns, shareholders, partners, officers, directors, employees and agents as additional insureds; require the insurer to defend each person or entity if there is a claim; provide that any liability coverage afforded applies separately to each person or entity against whom a claim is brought as though a separate policy had been issued to that person or entity; contain no provision that limits or reduces coverage if there is a claim by 1 or more additional insured, or by reason of any insurance that we maintain; and provide coverage for your indemnification obligation under Section 24.2 of this Agreement. Coverage for additional insureds will apply on a primary basis irrespective of any other insurance, whether collectable or not. All insurance policies must be issued by insurance companies with performance ratings of at least A+ as rated in the then-most-recent edition of Best's Insurance Reports or comparable publication.

17.4 At least 10 days before you open the Franchised Business or begin any construction, you must furnish us with certificates of insurance issued by insurance companies showing compliance with the insurance requirements in Section 17.1 and paid receipts showing the certificate numbers. Each certificate of insurance must include a statement by the insurance company that the policy will not be canceled, subject to non-renewal or materially altered without at least 30 days' written notice to us. Annually, when you provide us with your annual financial statements, you must furnish us with then-current certificates of insurance and paid receipts showing the certificate numbers. On our request, you must provide us with copies of your insurance policies and proof of payment for the policies.

17.5 You may not reduce any insurance limit, restrict any insurance coverage, or cancel, alter or amend any insurance policy without our prior written consent. If you fail to obtain or maintain any required insurance, you agree that we may, but are not obligated, to obtain the insurance and that you will reimburse us for the cost of the insurance, and for any reasonable expenses incurred in procuring the insurance, within 30 days of the date of our invoice. You expressly waive any objection to our purchase of insurance under this Section.

18. LEGAL COMPLIANCE, TAXES, LICENSES, UTILITIES AND OTHER OBLIGATIONS

18.1 You must comply with all laws and regulations applicable to the operation of the Franchised Business, including federal laws such as the Fair Labor Standards Act, National Labor Relations Act and Americans with Disabilities Act, and laws and regulations governing matters such as occupational hazards, the preparation and dispensing of food products, menu labeling, zoning, construction, business licensing, fictional business names, health, sanitation, safety, minimum wages, overtime, working conditions, workers' compensation insurance, unemployment insurance, consumer protection, trade regulation, data protection and data breaches, environmental protection, and the withholding and payment of income, social security, sales, use, property and other taxes. You must notify us immediately of any suspected data breach at or in connection with the Franchised Business. Each payment to us required under this Agreement will be made free and clear and without deduction for any such taxes.

18.2 You must promptly satisfy any other indebtedness that you incur in operating the Franchised Business.

18.3 You must promptly notify us of the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality that may adversely affect the operation of the Franchised Business.

18.4 If there is any bona fide dispute as to any liability for taxes assessed or other indebtedness, you may contest the validity of the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, you may not permit a tax sale or seizure by levy of signing or similar writ or warrant, or attachment by a creditor to occur against the premises of the Franchised Business or any of its improvements.

19. PROPRIETARY MARKS

19.1 The Marks are our exclusive property. You agree that your use of the Marks is a temporary authorized use under franchise and that we retain all ownership interests in the Marks. You acknowledge and agree that all goodwill arising from or in connection with the use of the Marks will inure to our benefit. You agree to use the Marks only in accordance with the terms of this Agreement and agree that the use of the Marks outside the scope of the terms of this Agreement without our prior written consent, is an infringement of our exclusive right, title and interest in and to the Marks. You agree that during the term of the Franchise, and after the expiration, termination, repurchase or transfer of the Franchise, you will not, directly or indirectly, commit an act of infringement or contest or aid others in contesting the validity, distinctiveness, secondary meaning, ownership or enforceability of the Marks, or take any other action in derogation of the Marks, and that no monetary amount will be assigned as attributable to any goodwill associated with your use of the System or the Marks.

19.2 You must provide products and services to the public under the service mark, trademark and trade name "MP CONEY ISLAND," but may not use any Mark, any derivation or modified version of any Mark, or any confusingly similar mark: as part of any corporate, partnership, firm or other business name, website address, email address, domain name or other identification in any print, electronic or other medium; or with any prefix, suffix or other modifying word, term, symbol or design. You may not use any Mark in connection

with the offer or sale of unauthorized products or services or in any manner that we have not authorized in writing. You agree to execute, during or after the term of the Franchise, at our request, any consents necessary for the registration of our corporate name in the state where you conduct the Franchised Business.

19.3 You agree that when any Mark is affixed to any packaging or point of sale display, or is used in advertising or promotional materials, the Mark will be accompanied either by an appropriate notice immediately following the Mark (™ if on a product package and SM if advertising a service) or by an asterisk immediately following the Mark and the legend “MP CONEY ISLAND is a service mark or trademark of MP Coney Island Franchising, LLC (or other appropriate corporate name)” printed on or in the package, display, advertisement or material. A suitably abbreviated form of the legend, approved by us, may be used where space restrictions so require. If we receive a Certificate of Registration from the United States Patent and Trademark Office for any Mark, the symbol ® will be substituted for the notices described above, and the word “Registered” will precede the word “service” in the legend described above, as required by written notice from us to you.

19.4 If it becomes advisable at any time, in our sole and absolute judgment, for the business to modify or discontinue use of any Mark and/or to use 1 or more additional or substitute service marks, trademarks, trade names or trade dresses, you agree to comply with our directions to modify or otherwise discontinue the use of the Mark, and/or to use 1 or more additional or substitute service marks, trademarks, trade names or trade dresses, within a reasonable time after receiving notice from us. You will be responsible for the costs of modifying or discontinuing the use of any trademark, service mark or trade name, or using 1 or more substitute trademarks, service marks or trade names. We will not be responsible for reimbursing you for any loss of goodwill in connection with the modification or discontinuation of any trademark, service mark or trade name.

19.5 During the term of the Franchise, in conjunction with the use of any Mark, you must identify yourself as the operator of the Franchised Business on letterhead sheets, invoices, order forms, receipts, contracts and similar documents, and, where we require, on signs. The form and content of the identification must comply with specifications in our manuals.

19.6 During the term of the Franchise, you must file and maintain requisite trade name or fictitious name registrations, and must execute any documents deemed necessary by us or our legal counsel to obtain protection for the Marks or maintain their continued validity and enforceability.

19.7 You must promptly notify us of any use of any Mark or any name or mark confusingly similar to any Mark by any person or entity other than us or another of our franchisees.

19.8 You agree to promptly notify us of any litigation brought or threatened by any person or entity against you, involving any Mark. If we, in our sole and absolute judgment, undertake the defense or settlement of that litigation or claim, we will do so at our own expense, but you agree to execute any documents, and to render any assistance (excluding financial assistance) as may, in the sole discretion of our legal counsel, be reasonably necessary to carry out the defense or settlement. If the defense does not involve issues concerning the operation of the Franchised Business, we will reimburse you for all reasonable out-of-pocket costs incurred in connection with assisting in the defense or settlement.

19.9 You agree that the use of any Mark contrary to any term of this Agreement is an act of infringement, and that the use will cause irreparable injury to us and entitle us to an order of specific performance and/or a temporary, preliminary or permanent injunction, without bond, from a court or agency of competent jurisdiction, court costs, reasonable expenses of litigation, reasonable attorneys' fees, and any other appropriate relief.

20. TRADE SECRETS AND CONFIDENTIAL INFORMATION

20.1 You acknowledge that the System involves trade secrets we own and that, during your relationship with us, you will acquire knowledge of confidential information, including:

- (a) site selection criteria;
- (b) training, operational knowledge, manuals and materials, including the Confidential Operations Manual, other manuals, and product recipes;
- (c) System standards and specifications, including know-how, methods, formats, policies, procedures, techniques, knowledge and experience, used in developing, promoting and operating the Franchised Business;
- (d) market research, and promotional, marketing and advertising programs;
- (e) knowledge of suppliers and specifications for products and supplies used in the operation of the Franchised Business;
- (f) software or similar technology which is proprietary to us, our affiliates or the System; and
- (g) customer data and customer lists.

20.2 You agree that, without our prior written consent, you will never either during or after the term of the Franchise, use or allow the use of any trade secret or confidential information except in connection with the operation of the Franchised Business by persons actively involved in the operation of the Franchised Business. You further agree that you will not disclose the contents of any manuals, plans, records or other documents relating to the Franchised Business to any third party, except a party who is actively involved in the operation of the Franchised Business and who has a valid need for disclosure. Any employee or independent contractor to whom a trade secret or confidential information is disclosed will be informed that the trade secret or confidential information is confidential and proprietary to us, and that it may not be used except under a franchise agreement with us. You must have each Manager, each management employee or independent contractor and each person attending initial training enter into a Manager/Supervisor Confidentiality and Non-Competition Agreement substantially similar to our approved form.

20.3 You agree to promptly reveal to us discoveries, inventions, innovations or improvements made by you, or by any of your Managers, employees or independent contractors, relating to materials, devices, methods or processes in any way connected with the System, and further agree that all proprietary interests in the information, materials, devices, methods, techniques, know-how and processes utilizing those discoveries, inventions, innovations and improvements will be our property.

20.4 You agree that use of any trade secret or confidential information contrary to any term of this Agreement is an act of infringement, and that the use will cause irreparable injury to us and entitle us to an order of specific performance and/or a temporary, preliminary or permanent injunction, without bond, from a court or agency of competent jurisdiction, court costs, reasonable expenses of litigation, reasonable attorneys' fees, and any other appropriate relief. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, on due hearing, and expressly waive all claims for damages caused by the wrongful issuance of any injunction.

21. NON-COMPETITION

21.1 Unless otherwise stated in this Agreement, the word "you" in this Section 21 includes, collectively and individually, each shareholder, member, partner, officer and director, and each direct or indirect holder (and each shareholder, member, partner, officer or director of each holder) of any beneficial interest in you, if you are a legal entity.

21.2 You agree that during the term of the Franchise, you will not, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person or entity, divert or attempt to divert any business or customer of the Franchised Business to any other business by direct or indirect inducement or otherwise, but this Section 21 will not prevent you from referring customers in good faith to other businesses, including competing businesses, that may be able to provide those customers with products or services not available from the Franchised Business.

21.3 You agree that during the term of the Franchise, and for an uninterrupted period of 1 year after expiration, termination, repurchase or transfer of the Franchise, regardless of the cause of expiration, termination, repurchase or transfer, you will not, without our prior written consent, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person or entity, employ, engage as an independent contractor, or seek to employ or engage as an independent contractor, any person who, within the prior 6 months, has been an employee or independent contractor of us or any of our franchisees, or induce or seek to induce any person who is an employee or independent contractor of us or any of our franchisees, to leave his or her employment or engagement. If you fail to comply with this paragraph 21.3, you agree to pay us an amount equal to 200% of the annual salary of such person.

21.4 You acknowledge: that certain methods of doing business and other elements comprising the System are unique and distinctive, and have been developed by us at great effort, skill, time and expense; that you will have regular and continuing access to valuable trade secrets, confidential information and valuable training regarding the System; and that you recognize your continuing obligation to promote the Franchised Business. You accordingly agree as follows:

(a) During the term of the Franchise, you will not, without our prior written consent, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any other person or entity, own, operate, engage in, have any interest in, be employed by or perform any service for any business located in the United States which operates one or more Competitive Businesses, or which franchises or licenses others to operate Competitive Businesses. A "Competitive Business" is any business which offers, or which franchises or licenses others to offer, products or services that are the same as or substantially similar to products or services that are or could be offered by you under this Agreement.

(b) You agree that, for an uninterrupted period of 2 years after the expiration or termination of the Franchise, regardless of the cause of expiration or termination, you will not, without our prior written consent, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any other person or entity, own, operate, engage in, have any interest in, be employed by or perform any service for any business which operates one or more Competitive Businesses, or which franchises or licenses others to operate Competitive Businesses, and which operates: (1) within the Territory, (2) within the territory of any other MP CONEY ISLAND restaurant operating or in planning at the time of expiration or termination, (3) within a 25-mile radius of any MP CONEY ISLAND restaurant operating or in planning at time of expiration or termination, or (4) within the area of any MP CONEY ISLAND area developer operating at the time of expiration or termination. If you violate any covenant in this Section 21.4(b) during the 2-year period immediately after the effective date of the expiration or termination of the Franchise, you agree to comply with such covenant during a subsequent 2-year period, and you further agree that an arbitrator or judge may order compliance with such covenant during any subsequent 2-year period.

21.5 You agree that your violation of any term of this Section 21 will cause irreparable injury to us for which no adequate remedy at law is available. You accordingly consent to the issuance of an order of specific performance and/or a temporary, preliminary or permanent injunction, without bond, prohibiting any conduct by you in violation of any term of this Section 21.

21.6 Each provision and subpart of a provision of this Section 21 is independent of each other provision and subpart of a provision of this Agreement. If a provision or subpart of a provision of this Section 21 is held unreasonable or unenforceable by any court, agency or other tribunal of competent jurisdiction, you agree to be bound by any lesser provision or subpart that imposes the maximum duty permitted by law, as if the resulting lesser provision or subpart were separately stated in this Section 21, and also agree to be bound by each other subpart of a provision of this Agreement.

21.7 You agree that we may, in our sole discretion, reduce the scope of any provision or subpart of any provision in this Section 21 without your consent, effective immediately on written notice from us, and you agree that you will promptly comply with any provision or subpart so modified, which will be fully enforceable notwithstanding any other provision or subpart of this Agreement.

21.8 You agree that any claim you may have against us, whether or not related to the Franchised Business, will not be a defense to the enforcement by us of any provision of this Section 21. You further agree that we will be entitled to set off any amounts we owe to you against any loss or damage to us arising from your breach of this Agreement, including this Section 21.

21.9 This Section 21 will not apply to any ownership by you of less than a 5% beneficial interest in the outstanding equity securities of any publicly-held corporation.

22. INSPECTION BY US

22.1 Our field representative or designee may make an announced or unannounced inspection of the Franchised Business at any reasonable time to ensure compliance with all terms of this Agreement, which inspection may include photographs of the premises and interviews of your Manager, employees and independent contractors to ascertain

their knowledge of and compliance with the System, as well as interviews with your customers to determine their level of satisfaction. You acknowledge that any feedback, coaching or recommendations given by our field representative or designee to any personnel of the Franchised Business during any such inspection will be informational and non-mandatory, but that you may be required to communicate with, give instructions to, train or retrain those personnel during or after the inspection in order to bring the operation of the Franchised Business into compliance with the System. You agree that the field representative or designee will be allowed to take a reasonable number of samples of food or non-food items from the Franchised Business, without payment, for testing by us or an independent laboratory to determine whether such samples meet our then-current standards and specifications. You further agree that the field representative or designee will be allowed to take a physical inventory of the assets of the Franchised Business, and to inspect any records of the Franchised Business, including your books and financial accounts, at any time during normal business hours. Any inspection will be made at the expense of us or our designee, but if we or our designee must make 2 inspections concerning your repeated or continuing failure to comply with this Agreement, we will have the right to charge you for the costs of making all further inspections concerning your failure to comply, including our field representative's or designee's reasonable travel, lodging and meal expenses, and his or her wages and benefits, during any further inspection. At the conclusion of his or her inspection, the field representative or designee will prepare a written report. You (or if you are not an individual, your principal operating officer, partner or member), if present, or your Manager, will be given a copy of the report and will sign a second copy to be sent to us, on which he or she may agree with or contest the field representative's or designee's conclusions and observations.

22.2 During any inspection, you agree to cooperate fully and to give any assistance reasonably requested. Promptly after receiving notice of any deficiencies detected in an inspection, you agree to take steps necessary to correct the deficiencies, including if necessary the temporary closing of the Franchised Business. Without limiting our other rights and remedies, we will have the right but not the obligation, if you fail or refuse to act promptly, to make or cause to be made any required corrections and to charge the costs of correction to you.

23. FRANCHISEE AS INDEPENDENT CONTRACTOR

23.1 Relationship of Parties. Under this Agreement, you are an independent contractor with entire control and direction of the Franchised Business, subject only to the terms of this Agreement and its attachments. This Agreement is not intended to, and does not create a fiduciary or other special relationship between the parties, or make any party a principal, agent, legal representative, parent, affiliate, subsidiary, joint venturer, partner, employer, joint employer, employee or servant of any other party for any purpose. In that regard:

(a) We have no right or duty to operate the Franchised Business, and disclaim any liability under this Agreement for any damages arising out of the operation of the Franchised Business.

(b) You are solely responsible for recruiting, interviewing, hiring, determining the terms of employment of, compensating, keeping the time of, processing the payroll of, providing work resources to, scheduling, supervising, disciplining and firing your personnel, and your personnel are not our employees, independent contractors or agents. We have no right or duty to supervise, or to exercise control over, your personnel in the operation of

the Franchised Business, and disclaim any rights or responsibilities as to your personnel. To the extent that we provide you with guidelines, recommendations, materials and other resources related to functions such as recruiting, interviewing, hiring, determining the terms of employment of, compensating, keeping the time of, processing the payroll of, providing work resources to, scheduling, supervising, disciplining or firing personnel, you may use those resources, or may choose to use alternate resources. You are solely responsible for consulting with your own third party human resources (“HR”) service provider and/or legal counsel concerning compliance with personnel laws and regulations that are applicable within the Territory, and for complying with those laws and regulations.

(c) Except as provided in this Agreement, you are solely responsible for training your personnel. To the extent that we provide you with materials and other resources related to training your management and non-management personnel on food handling, food preparation, health and sanitation matters, in the interest of protecting and maintaining the goodwill of the System and the Marks, and not in order to give us control the day-to-day operation of the Franchised Business, you must use those resources as we direct. To the extent that we provide you with guidelines, recommendations, materials and other resources related to training your management and non-management personnel on other matters, you may use those resources, or may choose to use alternate resources, so long as your personnel are trained to operate the Franchised Business in a System-compliant, legal and safe manner.

(d) You are solely responsible for establishing and enforcing your own policies related to personnel practices and labor relations. To the extent that we provide you with guidelines, recommendations and materials related to personnel practices and labor relations, you may use those resources, or may choose to use alternate resources. You are solely responsible for consulting with your own third party HR service provider and/or legal counsel concerning compliance with personnel and labor relations laws and regulations that are applicable within the Territory, and for complying with those laws and regulations.

23.2 Notices to Public, Etc.. During the term of the Franchise, you agree to hold yourself out, to the public, public officials, your suppliers, your independent contractors and others, as an independent contractor operating the Franchised Business pursuant to rights granted by us, but not jointly with us. You agree to take any reasonable action that we consider necessary to that end, including exhibiting notices of the parties’ relationship in a conspicuous manner at the Franchised Business, and on websites, letterhead, forms, business cards, electronic communications, advertisements, and other materials we designate. We reserve the right to specify and change the content and form of these notices.

23.3 Statements to and Acknowledgements by Employees. During the term of the Franchise, you shall hold yourself out to your prospective employees, and to your employees, as an independent contractor operating the Franchised Business pursuant to rights granted by us, but not jointly with us. You shall take any reasonable action that we consider necessary to that end, including (i) stating conspicuously on each employment application that the prospective employee is applying to be your employee and not an employee of ours, (ii) stating your entire business name, rather than just using our brand name and/or logo, on your payroll checks and/or payroll-related communications to employees, and (iii) requiring employees to sign acknowledgements that they are not employees of ours, even though they are selling products and services identified by our brand name and/or logo, are receiving payroll checks and other communications that contain our brand name and/or logo, may have applied

for jobs through our website(s), or may communicate with or receive non-mandatory feedback, coaching or recommendations from our representatives in emails or other electronic or written communications, or during telephone calls, meetings or inspections. We reserve the right to specify and change the content and form of these statements and acknowledgements.

23.4 Contracts, Etc.. Under this Agreement, no party is responsible for any obligations, debts or expenses of any other party. Nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf; to incur any obligation, debt or expense in our name; or to make any representation to any third party tending to indicate a business relationship with us beyond that created under this Agreement. We disclaim any liability for, and will not be liable under this Agreement for any claim or judgment arising as a result of, any such action.

24. INDEMNIFICATION

24.1 We must indemnify you, your affiliates, successors and assigns, and your partners, shareholders, officers, directors, employees and agents, for any expenses arising out of any claim for copyright or trademark infringement or unfair competition directly or indirectly related to your authorized use of our materials or the Marks under this Agreement and our manuals, if you notify us in writing within 30 days, or within any shorter period necessary to avoid prejudice, after learning of the claim, and also if we are given the opportunity, if we so choose, in our sole discretion, to control the settlement or defense of the claim. You may not settle any claim to which this Section 24.1 applies without our prior written consent.

24.2 You must indemnify us, our affiliates, successors and assigns, and our partners, shareholders, officers, directors, employees and agents, for any expenses arising out of any claim directly or indirectly related to your operation of the Franchised Business or performance or lack of performance under this Agreement, if the claim does not arise from our negligent or wrongful conduct. You acknowledge (i) that we do not have any reserved or general right to exercise control over, and do not exercise any indirect or direct control over, the day-to-day operation of the Franchised Business (including operations-related functions such as safety and security, the use of equipment and motor vehicles, and the delivery of products and services to customers, and personnel-related functions such as recruiting, interviewing, hiring, determining terms of employment, compensating, timekeeping, payroll processing, providing work resources, scheduling, supervising, disciplining and firing), (ii) that all liability arising out of the operation of the Franchised Business is therefore your responsibility, and (iii) that your indemnification obligation under this Section 24.2 covers any “joint employer,” “agency,” “ostensible agency” or similar claims by third parties based on the establishment or operation of the Franchised Business. You must promptly notify us of any claim by or against you directly or indirectly related to your operation of the Franchised Business and, on request, must furnish us with copies of any filings in any proceeding involving the claim.

24.3 As used in this Section 24, the word “expenses” includes all losses, compensatory, exemplary or punitive damages, fines, charges, costs, lost profits, attorneys’ fees, accountants’ fees, expert witness fees, expenses, court costs, settlement amounts, judgments, compensation for damages to reputation or goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and costs of recall, refunds, compensation and public notices.

24.4 The indemnification obligations of us and you will survive the expiration or termination of the Franchise for as long as any potential for liability under any applicable

law, rule, ordinance, statute or judicial decision remains. In this regard, to the maximum extent permitted by law, we and you each waive the effect of any statute of limitation which would, by lapse of time, limit our indemnification obligations.

25. TRANSFERS OF INTEREST

25.1 Transfer by Us. We may sell, assign, transfer, convey, give away, pledge, hypothecate, mortgage or otherwise encumber (“transfer”) all or any part of our rights, interests or obligations in this Agreement to any person or entity in our sole discretion. Specifically, and without limitation, we (or any affiliate, as applicable) may sell our assets, the Marks or any other elements of the System to any person or entity; may offer securities privately or publicly; may merge with, spin off or acquire other entities, or be acquired by another person or entity, including a competing or non-competitive franchise system or business, regardless of the locations of the franchise system or business; or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any or all of the above sales, assignments or dispositions, you expressly waive any claims, demands or damages against us and our affiliates arising from or related to the transfer of the Marks (or any variation thereof) or the System to any other person or entity. If we transfer or assign this Agreement, we will be released from all further liability under this Agreement. Nothing contained in this Agreement will require us to offer to you any products or services, whether or not bearing the Marks, if we transfer or assign this Agreement.

25.2 Transfer by Franchisee.

(a) Your rights and obligations under this Agreement are personal to you, and we have granted the Franchise in reliance on your and/or your principals’ business skill, financial capacity, personal character, and reputation for honesty, integrity and fair dealing. Accordingly, you and your successors, assigns, shareholders, partners and members, may not transfer any interest in you, in this Agreement or any related agreement, in the Franchise or the Franchised Business, without our prior written consent. Any purported transfer not having our prior written consent will be void.

(b) We will not unreasonably withhold our consent to a transfer of any interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business, but if a transfer, alone or together with other previous, simultaneous or proposed transfers, would have the effect of transferring either a controlling interest in or operating control of you, this Agreement, any related agreement, the Franchise or the Franchised Business, we may, in our sole discretion, require as conditions to our consent that:

(i) You must be in substantial compliance with the terms of this Agreement;

(ii) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) has demonstrated to our satisfaction that it meets the then-current standards which we would normally apply to any prospective franchisee. The transferee, for example, has demonstrated that it meets our educational, personal, managerial and business standards; possesses a good moral character and a good business reputation; has the aptitude and ability to conduct the Franchised Business (as may be shown by prior related experience); has adequate financial resources and capital to operate the Franchised Business; is financially responsible and has a good credit rating; has the ability to obtain a liquor license in its name; will be likely in our sole and absolute judgment to comply with the terms of this

Agreement, our then-current standard franchise agreement and our then-current manuals; and has no direct or indirect connection with any actual or potential competitor of us or any of our franchisees;

(iii) Your debts to us and others relating to the Franchised Business have been satisfied;

(iv) You and the transferor have signed a general release, in a form satisfactory to us, of any claims against us and our partners, shareholders, officers, directors, employees and agents, in their corporate and individual capacities;

(v) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) has entered into a written transfer agreement, in a form satisfactory to us, assuming and agreeing to discharge your and/or the transferor's obligations under this Agreement and any attachments;

(vi) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) executes our then-current standard franchise agreement (excluding any requirement to pay an initial franchise fee) and attachments (including any guaranty agreements). The then-current franchise agreement will have the same term expiration date of this Agreement, but may contain terms substantially different from those in this Agreement, including different fees, advertising contributions, training requirements and territory. Depending on the then-current demographics of the Territory, and on our then-current standards for territories, if the Territory is larger than our then-current standard territory, we may require the transferee to accept a Transfer Territory smaller than the Territory.

(vii) The transferee and its Manager, if any, have agreed to successfully complete (at the transferee's expense and to our satisfaction) any then-current initial training programs;

(viii) You or the transferor has paid, in lieu of paying the initial franchise fee specified in Section 9.1, a transfer fee of 25% of our then-current initial franchise fee for a comparable 1st franchise, plus full reimbursement for any reasonable travel, lodging and meal expenses incurred by us in connection with the transfer;

(ix) We have decided not to exercise our right of first refusal, if any, under Section 25.5;

(x) You have updated your equipment and premises to our then-current specifications in our manuals;

(xi) We have consented to the material terms of the transfer, including the price and terms of payment, which will not be so burdensome as to adversely affect the operation of the Franchised Business by the transferee; and

(xii) If any part of the sale price of any transferred interest is to be financed, the transferor will have agreed that all obligations of the transferee under any promissory notes, agreements or security interests reserved by the transferor in the assets of the Franchised Business will be subordinate to the obligations of the transferee to pay continuing franchise fees, advertising contributions and other amounts due to us and our affiliates, or otherwise to comply with this Agreement or the franchise agreement signed by the transferee.

(c) Except as stated below, the transfer fee stated in Section 25.2(b)(viii) is non-refundable and fully earned by us when paid. If, the transferee is unable to successfully complete initial training, we, in our sole discretion, may cancel this Agreement or the transferee's then-current franchise agreement. If we so cancel this Agreement or the transferee's then-current franchise agreement, we will refund the transfer fee, less out-of-pocket expenses incurred, if the transferee agrees to terms substantially similar to those in Sections 19.1, 19.9, 20, 21.3, 21.4(b), 21.5-21.8, 27.1-27.2, and 32.

(d) No transfer in the nature of a grant of a security interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business will be permitted without our prior written consent. If we consent to a transfer in the nature of a grant of a security interest, and if the holder of the security interest later seeks to exercise your right or assume the interest of you in the Franchise, this Agreement, any related agreement, you or the Franchised Business due to a default under any documents related to the security interest, we will have the option to purchase the rights of the secured party by paying all sums then due to the secured party, and the secured party will sign an agreement to that effect before any transfer takes place.

25.3 Transfer to Franchisee's Legal Entity. If a proposed transfer is to a legal entity you control which is formed solely for the convenience of ownership, our consent to the transfer may, in our sole discretion, be conditioned on the following requirements:

(a) The legal entity's activities will be confined exclusively to operating the Franchised Business;

(b) You will own a majority stock interest, partnership or membership interest in the legal entity, and will act as its principal operating officer, partner or member;

(c) Each stock certificate or certificate of interest in the legal entity will have conspicuously endorsed on its face a statement in a form satisfactory to us that it is held subject to, and that further transfer is subject to, all restrictions on transfers in this Agreement;

(d) All shareholders, partners, or members will jointly and severally guarantee the legal entity's performance and will bind themselves to the terms of this Agreement and any attachments;

(e) You will maintain a then-current list of all partners, members or shareholders and beneficial owners of any class of stock, and furnish the list to us on request; and

(f) Copies of the transferee's Certificate and Articles of Incorporation, Certificate and Articles of Organization, Certificate and Agreement of Partnership, By-Laws, resolution authorizing entry into this Agreement and any other significant governing documents, promptly will be furnished to us.

25.4 Transfer and Issuance of Securities. If you are a legal entity, you will maintain stop transfer instructions against the transfer of any stock certificate, certificate of interest, or evidence of ownership contrary to the terms of this Section 25, and will issue no certificate on the face of which the following statement does not legibly and conspicuously appear:

The transfer of this {insert type of ownership interest} is subject to the terms of a Franchise Agreement dated {insert date} between MP Coney Island Franchising, LLC and {insert name of legal entity}.

25.5 Our Right of First Refusal.

(a) If you or any other person or entity at any time determines to sell an interest in you, the Franchise or the Franchised Business, a true and complete copy of the offer (and any proposed ancillary agreements) will immediately be submitted to us by you or the other person or entity involved. The offer must apply only to an interest in you, the Franchise or the Franchised Business. It must not include the purchase of any of your other property or rights (or those of your shareholder, partner, or member), but if the offeror proposes to buy any other of your property or rights (or those of shareholder, partner or member) under a separate, contemporaneous offer, the price and terms of purchase offered to you (or to your shareholder, partner or member) for the interest in you, the Franchise or the Franchised Business will reflect the bona fide price offered and will not reflect any value for any other property or rights. We will have the right, exercisable by written notice delivered to you, or the person or entity involved, within 30 days after receipt of the copy of the offer, to purchase the interest for the price and on the terms in the offer, but we may substitute cash, a cash equivalent or marketable securities of equal value for any form of payment proposed in the offer. Our credit will be deemed equal to the credit of any proposed purchaser, and we will have not less than 60 days to prepare for closing. If the parties cannot agree on a cash equivalent within a reasonable time, they will either jointly select 1 appraiser, or 3 appraisers will be selected (1 by us, 1 by you, and 1 jointly by the first 2 appraisers), and his, her or their determination will be binding. The parties will share equally the fees and expenses of any appraiser jointly selected, but each must pay any separately selected appraiser individually. We will be entitled to purchase the interest subject to all customary representations and warranties given by the seller of the assets of a business or voting stock of an incorporated business, as applicable, including representations and warranties as to ownership, condition and title to stock and/or assets, liens and encumbrances relating to the stock and/or assets, validity of contracts, and liabilities, contingent or otherwise, of any corporation whose stock is purchased. If we do not exercise our right of first refusal, you or the person or entity involved may complete the sale to the purchaser under the terms of the offer subject to our consent to the transfer under Section 25.2(b), but if the sale to the purchaser is not completed within 120 days after receipt of the offer by us, or if there is a material change in the terms of the sale, we will have an additional right of first refusal for 30 days on the same terms as were applicable to the initial right of first refusal.

(b) If a proposed transferee is the spouse, child or parent of the proposed transferor, or is a person or entity already holding an equity interest in you or the Franchised Business, as of the date of this Agreement, that has been disclosed to us, we will not have any right of first refusal as provided in Section 25.5(a), unless the proposed transferee has a direct or indirect connection with any actual or potential competitor of us or any of our franchisees. However, written notification of this type of transfer must be provided to us by the transferor at least 30 days before consummation of that transfer.

25.6 Transfer On Death, Permanent Incapacity or Dissolution. On the death or permanent incapacity of any person with an interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business, or on your dissolution if you are a legal entity, the executor, administrator, personal representative or trustee (“personal representative”) of that person or entity will transfer his, her or its interest to a third party acceptable to us within 180 days after assuming that capacity. Any transfer of this type, including a transfer by devise or inheritance, will be subject to the same requirements as other transfers under this Agreement, but if the transfer is to a spouse, child or parent, the fee required under Section 25.2(b)(viii) will not be required. If the personal representative is unable to meet these conditions, the personal

representative of that deceased person will have an additional 60 days to dispose of the interest, which disposition will be subject to the requirements for transfers in this Agreement, including the requirements of this Section 25. If the interest is not disposed of within 60 days, we may terminate this Agreement, or may exercise an option to purchase or have transferred from you the assets of the Franchised Business in accordance with the procedures specified in Section 27.3, by giving you written notice of the exercise of the option at any time during those additional 60 days.

25.7 Interim Operation of Business on Death or Permanent Disability. Pending transfer on your death or permanent incapacity (or your principal operating officer, partner or member, if you are a legal entity), we will have the option to appoint a general manager to operate the Franchised Business for your account until an approved transferee is able to assume the operation of the Franchised Business, for up to 12 months without your consent, your personal representative, or your successor in interest. All funds from the operation of the Franchised Business during the period of operation by our appointed general manager will be kept in a separate fund, and all expenses incurred, including our appointed general manager's wages and benefits, and his or her reasonable traveling, lodging and meal expenses (the "Management Expenses"), will be charged to the fund. As compensation for services provided, we will charge the fund the full amount of the Management Expenses incurred during the period of our operation. We will only have a duty to use reasonable efforts in operating the Franchised Business, and will not be liable to you or your principals for any debts, losses or obligations incurred by the Franchised Business, or to any creditor for any equipment, inventory, products, services or supplies purchased for the Franchised Business during any period in which it is operated by our appointed general manager.

25.8 Non-Waiver of Claims. Our consent to a transfer of any interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business will not be a waiver of any claims we may have against the transferring party, nor will it be a waiver of our right to demand the transferee's compliance with the terms of this Agreement.

26. DEFAULT AND TERMINATION

26.1 Automatic Termination. Except as may be prohibited by federal bankruptcy law or applicable state law, you will be deemed to be in default under this Agreement, and the Franchise will automatically terminate without notice to you, if you make a general assignment for the benefit of creditors, suffer the filing of an involuntary bankruptcy petition which is not dismissed within 60 days after filing, file a voluntary bankruptcy petition, are adjudicated a bankrupt, or suffer temporary or permanent court-appointed receivership of substantially all of your property; if suit to foreclose any lien or mortgage against the premises or equipment of the Franchised Business is instituted and not dismissed within 30 days; or if the premises or equipment of the Franchised Business is sold after levy thereon by any sheriff, marshal or constable.

26.2 Termination On Notice. Except as may be prohibited by federal bankruptcy law or applicable state law, you will be in default and we may, in our sole discretion, terminate the Franchise, without giving you any opportunity to cure the default, effective immediately on giving written notice of termination to you, if:

(a) You are insolvent (are unable to pay your debts as they come due or have debts that are greater than your assets) and not otherwise subject to automatic termination under Section 26.1;

(b) You, without our prior written consent, cease to operate the Franchised Business;

(c) You (or your principal officer, shareholder, partner or member, if you are a legal entity) are convicted of a felony, a crime involving consumer fraud, or any other crime that is reasonably likely, in our sole and absolute judgment, to have an adverse effect on the System, the Marks, the goodwill associated with the System or the Marks, or our interest in the System or the Marks;

(d) You (or your principal officer, shareholder, partner or member, if you are a legal entity) participate in an activity, such as an unfair trade practice or another improper business or personal activity, that is having, or that has had within the past 60 days, in our sole and absolute judgment, a significant adverse effect on the System, the Marks, the goodwill associated with the System or the Marks, or our interest in the System or the Marks;

(e) The operation of the Franchised Business is creating a threat or danger to public health or safety;

(f) You have repeatedly failed to make timely payments of any fees or other amounts owed to us, or have repeatedly committed defaults of this Agreement, within 12 months of any prior default for which we have given you written notice;

(g) You knowingly make a material false or incomplete statement in any report submitted to us;

(h) We discover that you knowingly made a material false or incomplete statement to us to obtain the Franchise;

(i) You or any other person or entity purportedly transfer any interest contrary to Section 25;

(j) You participate in in-term competition contrary to Section 21;

(k) You improperly disclose the contents of our manuals or any other information learned or received under this Agreement and designated as “Confidential,” contrary to Section 12 or 20;

(l) An approved transfer is not effected following death, permanent incapacity or dissolution as required by Section 25.6;

(m) You suffer any federal, state or local tax lien, levy or suit to enforce the same brought against you or your property;

(n) You fail to identify, lease or purchase a site within the period stated in Section 5.1 of this Agreement, or you fail to submit a proposed lease for approval before execution as stated in Section 5.2 of this Agreement, or you fail to open for business within the period stated in Section 5.5 of this Agreement;

(o) You underpay or under-report any amount due us by 5% or more for any 3-month period;

(p) Any other franchise for a restaurant granted to you (or any affiliate of yours) by us is terminated for any reason; or

(q) You (or any officer, shareholder, partner or member, if you are a legal entity) violate any U.S. anti-terrorism law, ordinance, regulation or Executive Order.

26.3 Termination After Notice and Opportunity to Cure. You will have 30 days, or any lesser period specified below, or any greater period permitted by us or required by law, to cure any default for which we have given written notice of termination to you under this Section 26.3, and to provide us with evidence of the cure. If a default is not cured within that period, the Franchise will terminate without the need for further notice to you, effective immediately on the expiration of the cure period. We may give written notice of termination under this Section 26.3 for any failure by you to comply with any term of this Agreement or any requirement in our manuals. Defaults may include, for example, if:

- (a) You fail to initiate and/or successfully complete initial training;
- (b) You fail, refuse or neglect to pay us or any affiliated company any sum owing when due under this Agreement or any other agreement, or to submit to us any required information when due under this Agreement, and do not cure such default within 10 days after notice from us (or such other cure period specified in another agreement, unless no cure period is specified, in which case, the 10-day cure period will apply);
- (c) You fail to maintain any standard or specification required to be maintained or followed by this Agreement or our manuals;
- (d) You offer any unauthorized or unapproved product or service;
- (e) You fail, refuse or neglect to obtain our prior written acceptance, approval or consent as required by this Agreement;
- (f) You misuse or make any unauthorized use of the System or the Marks, or otherwise materially impair the goodwill associated with or our rights in the System or the Marks;
- (g) You or your Manager fail to comply with the requirement of personal attention in Section 4;
- (h) You fail to maintain books and records as stated in our manuals, and in a manner that permits an accurate determination of Gross Sales;
- (i) You fail, refuse or neglect to pay any third party, including any major supplier, or government taxing or licensing authority, any amount owing when due, or to satisfy any other material obligation relating to the Franchised Business; or
- (j) You fail to provide proof of insurance and do not cure such default within 10 days after notice from us.

We disclaim any right under this Agreement to terminate the Franchise based on any decision or action by you regarding recruiting, interviewing, hiring, determining the terms of employment of, compensating, keeping the time of, processing the payroll of, providing work resources to, scheduling, supervising, disciplining or firing your personnel.

26.4 Management Option. We have the right (but not the obligation), in our sole discretion, under the circumstances described below, to enter the premises and assume management of the Franchised Business (or to appoint a designated representative to assume its management) for any period of time we deem appropriate. If we or our designated

representative assume management of the Franchised Business under Sections 26.4 (a) or (b), you agree to pay us, in addition to all other amounts due under this Agreement, an amount equal to 10% of Gross Sales, plus our (or our designated representative's) direct out-of-pocket costs and expenses. If we or our designated representative assume management of the Franchised Business, you acknowledge that we or our designated representative will have a duty to use only reasonable efforts, and will not be liable to you for any debts, losses or obligations that the Franchised Business incurs to any of your vendors or creditors for any products, services or supplies purchased for the operation of the Franchised Business, while we or our designated representative manage it. We or our designated representative may assume the management of the Franchised Business under the following circumstances:

- (a) if you abandon or fail to actively operate the Franchised Business;
- (b) if you fail to comply with any provision of this Agreement, or any mandatory standard or specification in our manuals, and do not cure the default within the time specified in this Agreement; or
- (c) if the Franchise expires or is terminated and we are in the process of deciding whether to exercise our option to purchase the assets of the Franchised Business under Section 27. 3.

We will keep in a separate account all monies generated by the operation of the Franchised Business, less the expenses of the Franchised Business, including all amounts described in this Section 26.4 and other amounts owed under this Agreement. Nothing contained herein will prevent us from exercising any other right which we may have under this Agreement, including, our right to terminate this Agreement under Sections 26.2 or 26.3.

27. OBLIGATIONS ON REPURCHASE, EXPIRATION OR TERMINATION

27.1 On repurchase, expiration or termination of the Franchise, in addition to fulfilling your other continuing obligations under this Agreement:

- (a) You promptly will surrender to us or our designee, or, if directed by us, destroy and immediately discontinue the use of, any materials or designations indicating or intending to indicate in any way that you are our franchisee;
- (b) You immediately and permanently will discontinue use of the System and any information received under this Agreement and designated as "Confidential";
- (c) You promptly will deliver to us or our designee: the Confidential Operations Manual; all other manuals, bulletins, instruction sheets, forms, devices, proprietary software and other materials that you received from us; all customer data (including customer lists) related to the Franchised Business; and all copies of the same;
- (d) You promptly will pay all charges due for telephone services, and MP CONEY ISLAND directory listings and will assign to us or our designee, or will cancel, those directory listings as we direct and as provided in Section 16.4 of this Agreement, and will discontinue any radio, newspaper or other advertising which may in any way identify you with our products or services;
- (e) You promptly will pay all Internet service providers all charges due for online computer network services, and cause any appropriate Internet service provider or comparable authority to cancel or assign to us or our designee, as we direct, any email address,

domain name or other comparable electronic identity used in connection with the Franchised Business.

(f) You promptly will take any action necessary to cancel any assumed name or equivalent registration that contains the mark MP CONEY ISLAND or any other Mark, and submit to us proof of compliance with this obligation within 30 days after repurchase, termination or expiration;

27.2 On expiration or termination of the Franchise, you and we will make a prompt and final accounting. Any sums owed under this Agreement, any sums related to the Franchised Business owed to third parties, and any other sums related to the Franchised Business owed for judgments or otherwise, promptly will be paid by the owing party.

27.3 On expiration of the Franchise, or on termination of the Franchise under Sections 26.1, 26.2 or 26.3, we will have the option, exercisable by giving you written notice within 60 days after the date of expiration or termination, to purchase or have transferred to us the assets of the Franchised Business. Those assets will include the leasehold improvements, equipment, furniture, fixtures, signs and inventory of the Franchised Business, and the lease for the site of the Franchise Business. We will have the unrestricted right to assign this option. If we exercise this option, the purchase and transfer will be completed on the following terms:

(a) We or our assignee will be entitled to all customary deeds, releases of lien, bills of sale, assignments, and such other documents and instruments that we deem necessary in order to perfect our title and possession in and to the property being purchased or assigned, as well as all warranties and representations concerning the assets, including representations and warranties as to ownership, condition and title to the assets, liens and encumbrances on the assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise. If, at the time of closing, we have not received all of these documents and instruments, we may, in our sole discretion, place the purchase price in escrow pending the receipt of any required documents or instruments;

(b) The purchase price for the assets of the Franchised Business will be their fair market value, determined in a manner consistent with reasonable depreciation of the owned leasehold improvements, equipment, furniture, fixtures, signs and inventory of the Franchised Business. The purchase price will not contain any factor or increment for any trademark, service mark or other commercial symbol used in the operation of the Franchised Business, or for the goodwill or "going concern" value of the Franchised Business. We will be permitted to exclude from the assets purchased and valued any equipment, furniture, fixtures, signs and inventory that do not meet the quality standards for MP CONEY ISLAND restaurants. Also, the lease for the site of the Franchised Business will not be considered in determining the fair market value of the assets. If you and we are unable to agree on the fair market value of the assets, the fair market value will be determined by an independent appraiser jointly selected by you and us, and if we are unable to agree on an appraiser, you and we will each select 1 appraiser, who will jointly select a third appraiser, and the fair market value will be deemed to be the average of the 3 independent appraisals, so long as the highest appraisal is no more than 30% greater than the middle appraisal. If the highest appraisal is more than 30% greater than the middle appraisal, the fair market value will be deemed to be the average of the lowest appraisal and the middle appraisal. You and we will share equally the fees and expenses of any appraiser jointly selected, but will pay for any separately selected appraiser individually.

(c) The closing of the purchase and transfer will take place no later than 90 days after your receipt of our notice of the exercise of this option. We or our assignee will have the option of paying the purchase price at the closing, or in 12 equal monthly installments of principal and interest calculated at the rate of 0.5% over the base rate of the then-current prime, as published in the Wall Street Journal, with the first installment due at the closing. If the purchase price is paid at the closing (in cash, cash equivalents or marketable securities of equal value), at the closing, you will deliver instruments transferring to us or our assignee:

(i) good and merchantable title to the purchased assets free and clear of all liens and encumbrances (other than liens and security interests acceptable to us or our assignee), with all sales and other transfer taxes paid by you;

(ii) all licenses and permits for the Franchised Business which may be transferred; and

(iii) the lease for the site of the Franchised Business (if we have not negotiated a new lease for the site with the landlord).

If the purchase price is paid in installments (in cash, cash equivalents or marketable securities of equal value), at the closing, you will deliver the same instruments to us or our assignee as those described above, except that the documents may reserve liens and encumbrances for your benefit relating to the installments.

(d) We will have the right to set off against and reduce the purchase price of the assets by any and all amounts owed by you to us and our affiliates, and by the amount of any liens or encumbrances against the assets or any other obligations related to the assets that we assume;

(e) If we or our assignee exercise this option, pending the closing, we will have the right to appoint a general manager to maintain the operation of the Franchised Business. If we do, the procedures, duties and limitations specified in Section 25.7 will apply to the operation of the Franchised Business by the general manager. Alternatively, we may require you to close the Franchised Business pending the closing without removing any assets from the premises; and

(f) You will maintain in force all insurance policies required under this Agreement pending the closing.

27.4 On termination of the Franchise under Section 26.1, 26.2 or 26.3, you agree to pay us within 15 days after the effective date of termination, in addition to other amounts owed hereunder, liquidated damages equal to the average monthly continuing franchise fees paid during the 12 months of operation preceding the effective date of termination multiplied by the lesser of: (a) 24 (the number of months in 2 full years), or (b) the number of months remaining in the term of the Franchise had it not been terminated. You acknowledge that it would be impracticable to determine precisely the damages we would incur from the termination of the Franchise and the loss of cash flow from continuing franchise fees, due to, among other reasons, the difficulties in determining what costs, if any, we might have saved and how much the continuing franchise fees would have grown over what would have been the remaining term of the Franchise. You and we consider the liquidated damages specified in this Section 27.4 to be a reasonable, good faith estimate of those damages. This liquidated damages provision only covers our damages from the loss of cash flow from continuing franchise fees

and does not cover any other damages, including damages to our reputation with the public and landlords, and damages arising from any violation of any other provision of this Agreement. You agree that this liquidated damages provision does not give us an adequate remedy at law for any default under or for the enforcement of, any provision of this Agreement other than the continuing franchise fees provision.

28. ENTIRE AGREEMENT; EXECUTION DATE; MODIFICATION

28.1 This Agreement and the attachments are the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to you. Nothing in this Agreement or in any related agreement, however, is intended to disclaim any representations made to you in our Franchise Disclosure Document (including its exhibits and any quarterly updates or amendments). The terms of this Agreement are binding on the parties, and on their heirs, executors, administrators, successors and assigns.

28.2 The execution date of this Agreement is the date it is countersigned by us.

28.3 Except as otherwise stated in this Agreement, this Agreement may not be modified except in a written agreement of at least equal formality signed by the parties.

29. INTERPRETATION

29.1 The caption headings of this Agreement are for convenience only and should in no way affect the manner in which any term of this Agreement is interpreted.

29.2 Whenever the context requires, the singular includes the plural, the plural includes the singular, the whole includes any part, and any gender includes all other genders.

29.3 The following words have the following meanings in this Agreement and any attachments: “including” means “including but not limited to”; “will” means “shall”; and “repeatedly” means “at least 3 times”.

29.4 Whenever this Agreement gives us the right to perform an act in the future, that act may be performed “from time to time”, when we choose, in our sole discretion, unless stated otherwise in this Agreement.

29.5 If 2 or more parties sign this Agreement for you or as your guarantors, their liability is joint and several.

29.6 This Agreement is governed by the Federal Arbitration Act (9 U.S.C. § 1 *et seq.*) and the laws of Pennsylvania; but if any term of this Agreement not governed by the Federal Arbitration Act is not enforceable under the laws of Pennsylvania, that term is governed by the laws of the state in which the largest portion of your Territory is located.

30. PARTIAL INVALIDITY

30.1 If any Section of this Agreement is determined to be wholly invalid, that determination will not be deemed to affect the validity of any other Section. The parties agree that the remaining Sections will be deemed to be in full effect as if they had been executed by the parties after removal of the invalid Section. If any Section is determined to be partially invalid, the remainder of that Section will continue to be enforceable if in accordance with the intent of the parties.

30.2 If any applicable and binding law or rule of any jurisdiction requires greater prior notice of the termination of or refusal to renew the Franchise than is required by this Agreement or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any mandatory standard or specification in our manuals is invalid or unenforceable, the notice and/or action required by the law or rule will be substituted for the notice or action requirements of this Agreement, or the invalid or unenforceable provision, standard or specification will be modified to the extent required to be valid and enforceable. The modifications to this Agreement and our manuals will be effective only in the jurisdiction requiring them, and this Agreement and our manuals will be enforced as originally entered into or issued in all other jurisdictions.

31. WAIVER; FORCE MAJEURE

31.1 Neither our failure to exercise any right reserved to us under this Agreement, nor our failure to insist on compliance by you with any term of this Agreement, nor any custom or practice of the parties at variance with any term of this Agreement, will constitute a waiver of our right to demand compliance with any term of this Agreement. Our waiver of any default will not affect or impair our rights as to any subsequent default of the same or a different nature; nor will any delay, forbearance or omission by us to exercise any right as to any default of any term of this Agreement affect, impair or be our waiver of any right as to any subsequent default. Our rights and remedies under this Agreement are cumulative, and our exercise or enforcement of any right or remedy under this Agreement will not preclude us from exercising or enforcing any other right or remedy to which we are entitled.

31.2 You expressly waive your right to bring any claim against us, or against any of our affiliates, owners, officers or representatives, based on any statutory or common law theory, to the fullest extent permitted by law.

31.3 The parties to this Agreement will not be considered to be in default of any obligations hereunder, other than the obligation of a party to make payment of amounts due to the other party, if the failure of performance is due to a Force Majeure, including drought, flood, earthquake, storm, fire, lightening, epidemic, war, riot, civil disturbance, sabotage, strike or labor difficulty, or casualty to equipment. If any party is affected by a Force Majeure event, such party will give 14 days' notice to the other party stating the nature of the event, its anticipated duration and any action being taken to avoid or minimize its effect. The suspension of performance will be of no greater scope and no longer duration than is required, and the non-performing party will use its best efforts to remedy its inability to perform. The obligation to pay any amount in a timely manner is absolute and will not be subject to these Force Majeure provisions (Section 31.2), except to the extent prohibited by governmental rule or regulation.

32. ARBITRATION; ENFORCEMENT

32.1 Except as otherwise stated in this Agreement, the parties agree that any dispute between them, or any claim by 1 or more of them, concerning this Agreement, any related agreement, the Franchise or the Franchised Business that cannot be settled through negotiation or voluntary mediation, will be resolved solely and exclusively by binding arbitration, unless agreed otherwise by the parties.

32.2 Arbitration will be supervised by the American Arbitration Association ("AAA") and conducted under the then-prevailing commercial arbitration rules of the AAA,

before 1 arbitrator. Any arbitration hearing will take place in the county or city in which our home office is located at the time, and will be conducted on an individual, not a class-wide, basis. No arbitration award will have any preclusionary or collateral estoppel effect in any other arbitration or adjudicatory proceeding. Judgment on an arbitration award may be entered in any court of competent jurisdiction, and will be binding, final and non-appealable.

32.3 If any dispute or claim cannot be the subject of arbitration, the parties agree that the dispute or claim will be separated from all other disputes and claims, which other disputes and claims will first be resolved by arbitration, after which any dispute or claim which cannot be the subject of arbitration will be brought before any court stated in Section 32.6. If the parties are unable to separate out these matters, their allegations and positions on them will be brought before the arbitrator(s), who will rule separately on the matters, and that ruling will be subject to appropriate judicial review on the petition of a party.

32.4 Nothing in this Section 32 will prevent us from obtaining temporary, preliminary or permanent injunctive relief, without bond, from a court or agency of competent jurisdiction against actual or threatened conduct causing loss or damage that can be remedied under usual equity rules.

32.5 In any arbitration, any action for any dispute or claim which cannot be the subject of arbitration, or any action for injunctive relief is started concerning this Agreement, any related agreement, the Franchise or the Franchised Business, the party which substantially prevails in that arbitration or action will be entitled to a judgment against the other party for the costs of the arbitration or action, including reasonable attorneys' fees, reasonable expenses of arbitration or litigation, and arbitration or court costs.

32.6 You and we each irrevocably waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agree that if there is a dispute with the other, each party will be limited to the recovery of actual damages sustained by it. You and we each irrevocably waive trial by jury in any court action, whether at law or equity, brought by either party. You and we each also agree that any action brought by either party relating to this Agreement, any related agreement, the Franchise or the Franchised Business will be brought in a state or federal court of general jurisdiction in the county or city in which our home office is located at the time. You irrevocably submit to the jurisdiction of these courts and waive any objections you may have to the venue of these courts.

32.7 You and we each agree that any claims between the parties must be commenced within 1 year after the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim, or the claim will be barred.

32.8 As security for the performance of your obligations under this Agreement, including payments owed to us for purchases by you, you hereby collaterally assign to us the lease and grant us a security interest in all of the operating assets of the Franchised Business, including but not limited to inventory, accounts, supplies, contracts and proceeds and products of all of those assets. You agree to execute such documents as we may reasonably request in order to perfect and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement. If a third party lender requires that we subordinate our security interest in the assets of the Franchised Business as a condition of lending you working capital for the construction and/or operation of the Franchised Business,

we will agree to subordinate pursuant to terms and conditions determined by us in our sole discretion.

33. NOTICES

33.1 Any notice required to be given under this Agreement will be deemed to be given when delivered: by certified mail; by receipted courier or delivery service; by email; or personally. If delivery has not occurred after at least 2 of these methods have been used, any notice required to be given under this Agreement will be deemed to be given 3 days after being posted by first-class mail, postage prepaid.

33.2 Notices to us will be sent to our address as stated in this Agreement or to any other address we may specify to you in writing. Notices to you will be sent to the address of the Franchised Business as stated in this Agreement or any other address you may specify to us in writing.

34. ACCEPTANCES, APPROVALS AND CONSENTS

34.1 Acceptances, approvals and consents required by this Agreement will not be unreasonably withheld or delayed.

34.2 Whenever this Agreement requires our prior acceptance, approval, or consent, you will make a timely written request to us for the acceptance, approval or consent, which will be obtained in writing.

34.3 We assume no liability or obligation to you by providing any acceptance, approval, consent or recommendation to you, or by delaying action on or denying any request for an acceptance, approval or consent.

34.4 Notwithstanding anything otherwise contained in this Agreement, if you do not execute and deliver any documents or other assurances so required of you pursuant to this Agreement, or if we our designated representative take over the management or operation of the Franchised Business on your behalf for any reason, you hereby irrevocably appoint us as your lawful attorney with full power and authority to execute and deliver, in your name, any documents and assurances, and/or to manage or operate the Franchised Business on your behalf, and to do all other acts and things, in our sole discretion, and you agree to ratify and confirm all of our acts as your lawful attorney and to indemnify and hold us harmless from all claims, liabilities, losses or damages suffered in so doing.

35. ACKNOWLEDGMENTS BY FRANCHISEE

35.1 You acknowledge that:

(a) **Complete and detailed uniformity among our franchisees under varying conditions may be inadvisable, impractical or impossible, and accordingly agree that we, in our sole discretion, may modify or vary aspects of the System as to any franchisee or group of franchisees based on, for example, local sales potential, demographics, competition, business practices or other conditions. You further agree that we will have no obligation to disclose or offer the same or similar variances to you. You are aware that other MP CONEY ISLAND franchisees may operate under different agreements and, consequently, that our obligations and rights as to those franchisees may differ materially in certain circumstances.**

(b) Neither you nor any of your owners have been designated as suspected terrorists as set forth on the Specially Designated Nationals List as periodically promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury.

Each of the undersigned agrees to the terms of this Agreement.

FRANCHISEE ("YOU")

MP CONEY ISLAND FRANCHISING, LLC ("WE")

By: _____

Printed Name: _____

Printed Name: _____

Its: _____

Date Signed: _____

Date Signed: _____

Notice to Ohio Franchisee Only

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

RIDER TO FRANCHISE AGREEMENT FOR USE IN MARYLAND

For use in Maryland, this Agreement is modified as follows:

- (a) Section 9.1 is amended to include the following:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

- (b) Section 25.2(b)(iv) is replaced with the following:

(iv) You and the transferor have signed a general release, in a form satisfactory to us, of any claims against us and our partners, shareholders, officers, directors, employees and agents, in their corporate and individual capacities, except for any claims arising under the Maryland Franchise Registration and Disclosure Law.

- (c) Section 32.6 is replaced with the following:

32.6 You and we each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agree that if there is a dispute with the other, each party will be limited to the recovery of actual damages sustained by it. You and we each irrevocably waive trial by jury in any court action, whether at law or equity, brought by either party. You and we each also agree that any action brought by either party relating to this Agreement, any related agreement, the Franchise or the Franchised Business will be brought in a state or federal court of general jurisdiction in the county or city in which our home office is located at the time, but you and we each agree that any action based on any claim arising under the Maryland Franchise Registration and Disclosure Law may be brought in a court in Maryland. You irrevocably submit to the jurisdiction of these courts and waive any objections you may have to the venue of these courts.

- (d) The following Section 32.7 is added:

32.7 Franchisee and Franchisor understand that any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the Franchise.

- (e) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

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

FRANCHISEE (“YOU”)

MP Coney Island Franchising, LLC (“WE”)

By: _____

Printed Name: _____

Printed Name: _____

Its: _____

Date Signed: _____

Date Signed: _____

OHIO STATE RIDER TO THE FRANCHISE AGREEMENT

(For Ohio Franchisee Only)

Notice of Cancellation

_____ (Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to John Mitsos, at jmitsos@mpconeyisland.com, or at 2712 Wilmington Road, New Castle, PA 16105, (724) 944-1955, not later than midnight of _____ (enter date five business days from the date of transaction).

I hereby cancel this transaction.

(Date)

(Purchaser's Signature)

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OHIO STATE RIDER TO THE FRANCHISE AGREEMENT

(For Ohio Franchisee Only)

Notice of Cancellation

_____ (Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to John Mitsos, at jmitsos@mpconevisland.com, or at 2712 Wilmington Road, New Castle, PA 16105, (724) 944-1955, not later than midnight of _____ (enter date five business days from date of transaction).

I hereby cancel this transaction.

(Date)

(Purchaser's Signature)

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Attachment 1A

RESERVED AREA ADDENDUM

This RESERVED AREA ADDENDUM is attached to and made a part of the Agreement between you and us as of the Effective Date of the Agreement.

1. We have not yet accepted a proposed site for your MP CONEY ISLAND restaurant.

2. Your Reserved Area under Section 2.1 of the Agreement is:

The undersigned hereby agree to the terms of this Addendum.

FRANCHISEE ("YOU")

MP CONEY ISLAND FRANCHISING, LLC ("WE")

By: _____

Printed Name: _____

Printed Name: _____

Its: _____

Date Signed: _____

Date Signed: _____

Attachment 1B

SITE ADDENDUM

This SITE ADDENDUM is attached to and made a part of the Agreement between you and us as of the Effective Date of the Agreement.

In accordance with Section 2.2, you will locate the Franchised Business at the following site within the Reserved Area:

The undersigned hereby agree to the terms of this Addendum.

FRANCHISEE (“YOU”)

MP CONEY ISLAND FRANCHISING, LLC (“WE”)

By: _____

Printed Name: _____

Printed Name: _____

Its: _____

Date Signed: _____

Date Signed: _____

Attachment 1C

TERRITORY ADDENDUM

This TERRITORY ADDENDUM is attached to and made part of the Agreement between you and us as of the Effective Date of the Agreement.

1. In accordance with Section 2.3, the Territory for the Franchised Business is:

2. Exceptions (if any) within the Territory are:

3. If the U.S. Postal Service alters the boundary(ies) or number(s) of any assigned ZIP code(s), we will reassign to you the redesignated ZIP code(s) that most correspond to any previously held ZIP code(s).

FRANCHISEE ("YOU")

MP CONEY ISLAND FRANCHISING, LLC ("WE")

By: _____

Printed Name: _____

Printed Name: _____

Its: _____

Date Signed: _____

Date Signed: _____

Attachment 2

**TELEPHONE AND INTERNET SERVICE TRANSFER CONSENT AND
AUTHORIZATION**

On the expiration, termination, repurchase or transfer of the Franchise for any reason whatsoever, you hereby irrevocably appoint and designate MP Coney Island Franchising, LLC as your attorney-in-fact to direct the telephone company to change, transfer and/or terminate any listed telephone numbers relating to the Franchised Business, and to direct any Internet service provider or comparable Internet authority to change, transfer and/or terminate any email addresses, domain names or other comparable electronic identities relating to the Franchised Business. You also hereby agree that MP Coney Island Franchising, LLC may execute any legal document on your behalf to carry out the intent of this consent and authorization.

Date

Printed Name: _____

Date

Printed Name: _____

Attachment 3

ACH ORIGATION AUTHORIZATION

ACH Origination services will not be considered until this application is
FILLED OUT COMPLETELY

Please complete the following with your banking information and attach a voided check:

_____ _____ _____		Name & Address on Account	1234
Pay to the Order of _____			
Payable through _____ _____ _____		Your Financial Institution	\$ _____
			Maximum Amount to be Drafted
■ ■ ■ ■	■	■	

▲

 Bank Routing No.

▲

 Check No. (omit)

▲

 Your Account No.

I hereby authorize MP Coney Island Franchising, LLC ("Franchisor") and the financial institution named above to initiate entries to my checking or savings accounts as identified above in accordance with the sales analysis submitted by me to Franchisor and, if necessary, to initiate adjustments for any transactions credited in error. This authority will remain in effect until I notify either Franchisor or the above-named financial institution in writing to cancel it in such time as to afford a reasonable opportunity to act on such instructions. I can stop payment of any entry by notifying the above-named financial institution at least 3 days before my account is scheduled to be charged. I can have the amount of an erroneous charge immediately credited to my account for up to 15 days following issuance of my statement by the above-referenced financial institution or up to 60 days after deposit, whichever occurs first.

Signature: _____

Printed Name and Title (if any) of Person Signing: _____

Application Date: _____ Telephone Number: _____

Contact Person (if different from person signing): _____

Applicant's Printed Name (Individual or Company): _____

Applicant's Address (if different from check): _____

Attachment 4

LEGAL ENTITY INFORMATION SHEET

Legal Entity Name/Type: _____

State/Date of Formation: _____

Shareholders/Partners/Members:

% Interest	Class/General or Limited Partner	Name
------------	----------------------------------	------

% Interest	Class/General or Limited Partner	Name
------------	----------------------------------	------

% Interest	Class/General or Limited Partner	Name
------------	----------------------------------	------

% Interest	Class/General or Limited Partner	Name
------------	----------------------------------	------

% Interest	Class/General or Limited Partner	Name
------------	----------------------------------	------

Documents:

Not Required	Provided to Us	To Be Provided to Us Within 30 Days
-------------------------	---------------------------	--

Certificate and Articles of Incorporation	☐	☐	☐
---	--------------------------	--------------------------	--------------------------

Certificate and Agreement of Partnership	☐	☐	☐
--	--------------------------	--------------------------	--------------------------

Certificate and Agreement of Membership	☐	☐	☐
---	--------------------------	--------------------------	--------------------------

By-Laws	☐	☐	☐
---------	--------------------------	--------------------------	--------------------------

Resolution Authorizing Franchise	☐	☐	☐
----------------------------------	--------------------------	--------------------------	--------------------------

Agreement	☐	☐	☐
-----------	--------------------------	--------------------------	--------------------------

Other: _____	☐	☐	☐
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Conditions:

The legal entity's activities must be confined exclusively to operating the Franchised Business.

_____ (or another person with our written consent) must act as the legal entity's principal operating officer, partner or member.

Each principal officer of the legal entity, and each shareholder, member, partner, spouse or other beneficial owner with at least a 5% ownership interest in the legal entity, must personally guarantee Franchisee's obligations under the Franchise Agreement, and also must agree to be personally bound by, and personally liable for breach of, every term of the Franchise Agreement (Attachment 5).

The legal entity must maintain stop transfer instructions against transfer on its records of any stock certificate or certificate of interest contrary to the terms of the franchise agreement.

Each stock certificate of the corporation or certificate of interest of the partnership or membership must include the statement specified in the franchise agreement.

The legal entity must maintain a current list of all shareholders, partners or members and other beneficial owners, and must furnish the list to us on request.

Attachment 5

GUARANTY AGREEMENT

In consideration of, and as an inducement to, the signing by MP Coney Island Franchising, LLC (“we”, “us” or “our”) of the franchise agreement dated _____ between us and _____ (“Franchisee”) (the “Agreement”), each undersigned Guarantor (“you or “your”) personally and unconditionally (1) guarantees to us and our successors and assigns, for the term of the Franchise and thereafter as provided in the Agreement, that Franchisee will punctually pay or perform each obligation in the Agreement, and (2) agrees to be personally bound by, and personally liable for the default of, each term of the Agreement. Each of you waives:

- (1) our acceptance and notice of acceptance of these undertakings;
- (2) notice of demand for payment of any indebtedness or non-performance of any obligation guaranteed;
- (3) protest and notice of default to any party as to any indebtedness or non-performance of any obligation guaranteed;
- (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- (5) any other notices and legal or equitable defenses to which you may be entitled.

Each of you agrees that:

- (1) your direct and immediate liability under this guaranty is joint and several;
- (2) you will render any payment or performance required under the Agreement on demand if Franchisee fails or refuses to do so punctually;
- (3) your liability will not be contingent or conditioned on our pursuit of any remedies against Franchisee or any other person; and
- (4) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claim, none of which will in any way modify or amend this guaranty, that will be continuing and irrevocable for as long as any obligation in the Agreement remains in effect.

Each of you affixes your signature to this guaranty as of the same date as the date of signing of the Agreement.

GUARANTOR

Name: _____

Address: _____

Percentage Ownership in Franchise _____

GUARANTOR

Name: _____

Address: _____

Percentage Ownership in Franchise _____

Attachment 6

LEASE ADDENDUM

THIS LEASE ADDENDUM is entered into this ____ day of _____, 20__, among MP Coney Island Franchising, LLC ("Franchisor"); _____ ("Lessor"); and _____ ("Lessee").

RECITALS:

A. Lessor has agreed to lease to Lessee certain premises located at _____ ("premises") within a center known as _____ ("center") for use by Lessee as an MP CONEY ISLAND restaurant ("Franchised Business") operated under Franchisor's system and proprietary marks under a written franchise agreement dated _____ between Franchisor and Lessee as franchisee ("Franchise Agreement");

B. Under the terms of the Franchise Agreement, all right, title and interest in the lease and this Addendum ("Lease") must be transferred to Franchisor, if Franchisor, in its sole and absolute right, exercises any option to purchase the assets of the Franchised Business contained in the Franchise Agreement.

C. It is the intent of the parties to provide Franchisor with the opportunity to preserve the premises as a Franchised Business in case of any expiration or termination of the franchise granted in the franchise agreement and to assure Lessor that any defaults under the Lease will be cured before Franchisor takes possession of the premises; and

D. Lessee and Franchisor wish to preserve their rights under the Franchise Agreement as to the premises, including Franchisor's right to enter and/or take possession of the premises to enforce Franchisor's rights on Lessee's default under the Lease or the Franchise Agreement.

In consideration of the recitals above and of the terms below, the parties agree:

1. Default of Lessee under Lease. Lessor will give Franchisor notice of any default or termination of the Lease concurrently with giving notice to Lessee. If Lessee fails to cure any default within the period provided in the Lease, Lessor will give Franchisor immediate written notice of the failure to cure and Lessor will offer to Franchisor and Franchisor will have the sole and absolute right (but not the obligation), either to cure the default and preserve Lessee's interest in the premises and in the Lease, or to accept an assignment of the Lease or a new lease containing the same terms of the Lease, as Franchisor elects. If Franchisor elects to continue the use of the premises under an assignment of the Lease or a new lease, it will so notify Lessor in writing within 30 days after it has received written notice from Lessor specifying the default(s) Lessee has failed to cure within the period specified in the Lease. On receipt of that notice from Franchisor, Lessor will promptly execute and deliver to Franchisor an assignment of the Lease or a new lease, whichever Franchisor requests, and will promptly deliver to Franchisor possession of the premises, free and clear of any rights of Lessee or any third party. Franchisor, before taking possession of the premises, will cure the default(s) specified by Lessor in its notice to Franchisor and will execute and deliver to Lessor its acceptance of the assignment of Lease or of a new lease, as the case may be.

2. Repurchase, Termination or Expiration of Franchise. If Franchisor repurchases the franchise from Lessee, or if the franchise between Franchisor and Lessee expires or is terminated for any reason during the term or any extension of the Lease, Lessee, on the written request of Franchisor, will assign to Franchisor all of its right, title and interest in the Lease. If Franchisor elects to accept the assignment of the Lease from Lessee, it will give Lessee and Lessor written notice of its election to acquire the leasehold interest. Lessor consents to the assignment of the Lease from Lessee to Franchisor, subject to Lessee's and/or Franchisor's curing any default(s) of Lessee under the Lease before Franchisor takes possession of the premises. Alternatively, in case of repurchase, expiration or termination of the franchise, Franchisor may elect to enter into a new lease with Lessor containing the same terms as the Lease. On Lessor's receipt of written notice from Franchisor advising Lessor that Franchisor elects to enter into a new lease, Lessor will execute and deliver the new lease to Franchisor for its acceptance. Lessor and Lessee will deliver possession of the premises to Franchisor, free and clear of all rights of Lessee or third parties, subject to Franchisor curing any default(s) of Lessee under the Lease and executing an acceptance of the assignment of Lease or the new lease, as the case may be. If Franchisor does not accept assignment of the Lease or a new lease after expiration or termination of the franchise, or if Franchisor determines that it must enter the premises to enforce any of its rights under the Franchise Agreement, Lessor consents to Franchisor's or its agent's entry onto the premises to enforce Franchisor's rights under the Franchise Agreement, including the removal of signs, materials, fixtures, equipment and other items identifying Lessee with Franchisor or belonging to Franchisor. Lessor agrees that, in exercising these rights, Franchisor will not be guilty of trespass or any other tort as to Lessor. Franchisor agrees to repair any damage to the premises caused by its entry and activity on the premises.

3. Relationship to Franchise Agreement. Lessor acknowledges that the Lease and/or any new or amended lease executed by the parties will be subject to and not inconsistent with the Franchise Agreement. For example, Lessor must permit Franchisor's entry onto the premises for the purpose of enforcing Franchisor's rights under the Franchise Agreement or for routine visits.

4. Use or Assignment of Premises. The parties agree that the premises must only be used for the operation of the Franchised Business, and that Lessee may not sublease or assign all or any part of its occupancy rights without Franchisor's prior written approval.

5. Exclusivity. Lessor agrees not to negotiate with or lease space within the center to any other tenant that will operate a business primarily serving hot dogs or hamburgers.

6. Obligations of Franchisor. The parties acknowledge that the Lease does not create any rights against or obligations of Franchisor unless specifically stated in this Addendum.

7. Display of Marks. Lessor agrees that Lessee and/or Franchisor may display Franchisor's and/or its licensor's marks according to Franchisor's specifications in the Confidential Operations Manual provided to Lessee under the Franchise Agreement, as modified from time to time by Franchisor in its sole and absolute right, subject to the provisions of applicable law and community standards.

8. Right to Information. Lessor agrees to provide to Franchisor, on request, information regarding the Franchised Business or the Lease, including any information furnished to Lessor by Lessee.

9. Delivery of Lease; Franchisor's Prior Written Approval. Lessor and Lessee agree to deliver the Lease in executed form to Franchisor within 5 days after execution.

10. Waiver. Failure of Franchisor to enforce or exercise any of its rights under this Addendum will not constitute a waiver of those rights or a waiver of any subsequent enforcement or exercise of its rights under this Addendum.

11. Execution of Documents. The parties agree to execute all documents or agreements and to take all action as may be necessary or desirable to effectuate the terms of this Addendum.

12. Amendment of Lease. Lessor and Lessee agree not to amend, modify or waive the terms of the Lease in any respect that would adversely affect Franchisor's rights without the prior written consent of Franchisor.

13. Vacation of Premises. Lessee agrees to peaceably and promptly vacate the premises and to remove its personal property on the repurchase, termination or expiration of the franchise or on Lessee's failure to timely cure defaults under the Lease. Any property not so removed within 10 days after Lessee vacates the premises will be deemed abandoned.

14. Delivery of Possession. If it becomes necessary for Lessor to pursue legal action to evict Lessee in order to deliver possession of the premises to Franchisor, Franchisor will, at the written request of Lessor, pay into escrow amounts necessary to cure any default(s) by Lessee, pending delivery of the premises to Franchisor. If Lessor is unable to deliver the premises to Franchisor within 6 months after the date Franchisor notifies Lessor of its election to continue the use of the premises, Franchisor will have the right at any time to withdraw its election to acquire a leasehold interest in the premises, at which time all amounts deposited by Franchisor in escrow plus interest earned will be returned immediately to Franchisor. Franchisor will not be required to cure defaults and/or begin paying rent until delivery to it of possession of the premises, free and clear of any of Lessee's rights or the rights of any third parties.

15. Lessee's Liability. Lessee will remain liable for all of its obligations under the Lease regardless of the assignment of the Lease to Franchisor or the execution of a new lease between Franchisor and Lessor, and Franchisor will be entitled to recover from Lessee all amounts it has paid to Lessor to cure any default(s) by Lessee under the Lease.

16. Notices. All notices will be sent by certified mail and by email to the following addresses or to such other addresses as the parties may, by written notice, designate. Such notices will be deemed to be given 3 days after being sent by certified mail.

If to Franchisor:

MP Coney Island Franchising, LLC
Attention: William Mitsos, President
2712 Wilmington Road
New Castle, PA 16105
contact@mpconeyisland.com

If to Lessor:

Attention:

If to Lessee:

Attention:

17. Binding Effect. This Addendum will be binding on the parties, their heirs, executors, successors, assigns and legal representatives.

18. Severability. If any provision of this Addendum or any part is declared invalid by any court of competent jurisdiction, the provision will not affect the validity of this Addendum and the remainder of this Addendum will remain in effect according to the terms of the remaining provisions or parts of provisions of this Addendum.

19. Remedies. The rights and remedies created under this Addendum will be deemed cumulative and no 1 of the rights or remedies will be exclusive at law or in equity of the rights and remedies which Franchisor may have under this Addendum or any other agreement to which Franchisor and Lessee are parties.

20. Attorneys' Fees. If any action is instituted by any party to enforce any provision of this Addendum, the prevailing party will be entitled to recover all attorneys' fees and costs incurred in the action.

21. Effective Date. Each of the undersigned agrees to the terms of this Addendum, effective the day and year first above written.

LESSOR:

By: _____
Printed Name: _____
Its: _____

LESSEE:

By: _____
Printed Name: _____
Its: _____

FRANCHISOR:

MP CONEY ISLAND FRANCHISING, LLC

By: _____
Printed Name: _____
Its: _____

EXHIBIT B

AREA DEVELOPMENT AGREEMENT, STATE RIDERS AND ATTACHMENTS

**MP CONEY ISLAND
AREA DEVELOPMENT AGREEMENT, STATE RIDERS AND ATTACHMENTS**

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RIDER TO AREA DEVELOPEMNT AGREEMENT FOR USE IN MARYLAND

Attachments:

1	Area Addendum
2	Development Addendum
3	Legal Entity Information Sheet
4	Guaranty Agreement

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Agreement") is entered into by MP CONEY ISLAND FRANCHISING, LLC ("Franchisor") and _____ ("Area Developer").

RECITALS

WHEREAS, Franchisor has expended time, skill, money and effort to develop a system for establishing and operating MP CONEY ISLAND restaurants that offers hot dogs, hamburgers and french fries (featuring our proprietary chili sauce), using formats, signs, equipment layouts, systems, methods, procedures and designs specified by Franchisor ("System").

WHEREAS, Franchisor has also expended time, skill, money and effort in publicizing the System and the services and products offered under the System, and has developed and will continue to develop valuable goodwill in the service mark, trademark and trade name MP CONEY ISLAND, and in its trade dress; and may develop or acquire other service marks, trademarks, trade names and trade dresses for use under the System ("Marks"), all of which Marks will be the sole property of Franchisor.

WHEREAS, Franchisor grants designated geographic areas to others within which they may establish and operate franchised MP CONEY ISLAND restaurants using the System and Marks, and provides to those area developers continuing advice on the establishment and operation of their MP CONEY ISLAND restaurants.

WHEREAS, Area Developer desires to obtain the exclusive right to establish and operate 3 or more franchised MP CONEY ISLAND restaurants ("Franchised Businesses") within a designated geographic area under the System and Marks, as well as to receive relevant training and other assistance provided by Franchisor to its area developers.

NOW, THEREFORE, in consideration of the recitals above and of the terms below, Franchisor and Area Developer agree:

1. AREA GRANT

1.1 Subject to the terms of this Agreement, Franchisor grants to Area Developer the right, and Area Developer undertakes the duty, to establish and operate _____ Franchised Businesses under the System and Marks in the area described in Section 3 (the "Area"). This right is referred to in this Agreement as the "Area Grant." Each Franchised Business will be operated under the terms of an individual Franchise Agreement executed by Area Developer and Franchisor.

1.2 If Area Developer complies with the terms of this Agreement, then Franchisor will not franchise or license others, nor will it directly or indirectly develop, own, lease, construct or operate in any manner, any MP CONEY ISLAND restaurant at any traditional venue in the Area.

1.3 Franchisor, on behalf of itself and its affiliates, designees and assignees, reserves the sole and absolute right, without offering Area Developer the right to participate:

(a) to establish and operate, and to grant to others the right to establish and operate, MP CONEY ISLAND restaurants at locations anywhere outside the Area, including locations near the Area's boundaries;

(b) in or outside the Area, to offer and sell products and services that are the same as the products and services offered by MP CONEY ISLAND restaurants, or different products and services, using MP CONEY ISLAND trademarks or different trademarks;

(c) in or outside the Area, to establish and operate, and to grant others the right to establish and operate, MP CONEY ISLAND restaurants that are located within non-traditional venues, such as convention centers, airports, hotels, sports facilities, theme parks, hospitals, transportation facilities, venues in which master concessionaires provide foodservice, and similar captive market locations;

(d) in or outside the Area, to sell any products or services, using MP CONEY ISLAND trademarks or different trademarks, through alternative channels of distribution, such as grocery stores, convenience stores, ghost kitchens, mobile vans or trucks, and the Internet;

(e) to acquire and continue to operate, directly or indirectly, any business operating under different trademarks in or outside the Area;

(f) to acquire and retain, directly or indirectly, the rights and obligations of any franchisor or licensor of any business operating under different trademarks in or outside the Area;

(g) in or outside the Area, to acquire, establish and promote other franchise systems involving different products or services using different trademarks, and to establish company-owned or franchised outlets for those systems;

(h) to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any other person, including a competing business, even if such person operates, franchises and/or licenses businesses in close proximity to the Franchised Business; and/or

(i) to engage in other activities not expressly prohibited by this Agreement.

2. TERM

2.1 The term of the Area Grant will commence on the execution of this Agreement and will continue for the period of time specified in the Development Addendum (Attachment 2) as required to develop the number of Franchised Businesses designated in Section 1.1 of this Agreement, unless sooner terminated under Section 15.

2.2 Area Developer will not have the right to extend the term of the Area Grant, although Franchisor and Area Developer may mutually agree to extend the term of the Area Grant.

2.3 If Area Developer complies with the terms of this Agreement, for 2 years after the expiration of the term of the Area Grant, Area Developer will have a right of 1st refusal as to any additional Franchised Businesses proposed to be developed within the Area, which

Area Developer will be required to exercise by signing a franchise agreement and paying the initial franchise fee for the Franchised Business within 30 days after being offered the right.

3. AREA

3.1 Area Developer may locate Franchised Businesses only at sites within the geographic area designated in the Area Addendum (Attachment 1).

4. PERSONAL ATTENTION OF AREA DEVELOPER

4.1 Area Developer (or if Area Developer is not an individual, Area Developer's principal operating officer, partner or member) or a Manager who has successfully completed all required Franchisor training, will personally manage the selection of sites for, and the establishment of, Franchised Businesses in the Area.

5. AREA DEVELOPMENT FEE

5.1 An Area Development Fee equal to \$14,000 per Franchised Business (other than Area Developer's 1st Franchised Business) to be developed under this Agreement will be paid by Area Developer to Franchisor on execution of this Agreement. The Area Development fee is \$_____.

5.2 The Area Development Fee is non-refundable and fully earned by Franchisor when paid, except as follows: if Area Developer is unable to successfully complete initial training under the 1st franchise agreement executed concurrently with this Agreement, or Franchisor otherwise decides that Area Developer should not operate a Franchised Business, Franchisor may cancel the 1st franchise agreement. If Franchisor cancels the 1st franchise agreement, Franchisor may cancel this Agreement. If Franchisor cancels this Agreement, Franchisor will deduct out-of-pocket expenses, including any broker referral fees, and will refund up to 50% of the area development fee if Area Developer agrees to terms substantially similar to those in Sections 11, 16 and 21.

6. INITIAL FRANCHISE FEES

6.1 Concurrently with the execution of this Agreement, Area Developer must execute a franchise agreement for Area Developer's 1st Franchised Business and must pay Franchisor the Initial Franchise Fee of \$35,000 for that Franchised Business.

6.2 Area Developer will pay Franchisor an Initial Franchise Fee for each additional Franchised Business (other than Area Developer's 1st Franchised Business) developed under this Agreement, to be paid when the franchise agreement for each additional Franchised Business is signed. The Initial Franchise Fee for each additional Franchised Business will be \$28,000. Area Developer will receive a credit of \$14,000 against each additional Initial Franchise Fee.

7. DEVELOPMENT SCHEDULE

7.1 Area Developer will establish and operate Franchised Businesses according to the Development Addendum (Attachment 2). Area Developer must be in compliance with all of its previously executed franchise agreements for MP CONEY ISLAND restaurants in order to be eligible to open new MP CONEY ISLAND restaurants.

7.2 If Area Developer is unable to comply with the Development Schedule due to strike, riot, civil disorder, war, failure of supply, fire, natural catastrophe or any other similar event beyond its control, then on notice delivered to Franchisor, the Development Schedule and the term of the Area Grant will be extended for a corresponding period not to exceed 120 days.

7.3 Area Developer agrees to submit to Franchisor monthly reports of its activities and progress in selecting sites for and establishing Franchised Businesses under this Agreement. Each monthly report will be submitted on the 5th day of the month for the prior month.

8. SITES OF FRANCHISED BUSINESSES

8.1 The site of each Franchised Business within the Area will be selected by Area Developer, subject to Franchisor's prior written acceptance, which acceptance will take into account a site report and other information provided by Area Developer, and other factors described more fully in the applicable franchise agreement and Confidential Operations Manual.

8.2 The lease or acquisition of any proposed site by Area Developer without Franchisor's prior written acceptance will be the sole risk and responsibility of Area Developer, and will not obligate Franchisor in any way to accept the site. The acceptance of a proposed site by Franchisor will not in any way constitute a warranty or representation by Franchisor as to the suitability of the site for a Franchised Business.

9. FRANCHISE AGREEMENTS

9.1 Area Developer will open a Franchised Business only if a then-current form of franchise agreement for the Franchised Business has been executed by Franchisor and the Initial Franchise Fee for the Franchised Business has been paid by Area Developer to Franchisor.

10. LEGAL COMPLIANCE, TAXES, LICENSES, UTILITIES AND OTHER OBLIGATIONS

10.1 Area Developer must comply with all laws applicable to the operation of its business, including all administrative and governmental regulations relating to fictional business names, occupational hazards, health, consumer protection, and unfair or deceptive practices, securing and promptly paying for all licenses, permits and inspections, and promptly paying all withholding, unemployment, occupational, privilege, license, sales, use and income taxes and the like, including all taxes and fees levied and asserted on Area Developer's business property, and all water, sewer, gas, telephone, electric, power and other utility charges assessed or charged to any Franchised Business.

10.2 Area Developer must promptly satisfy any other indebtedness that it incurs in its business.

10.3 Area Developer must promptly notify Franchisor of the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, that may adversely affect the operation or financial condition of its business.

11. TRADE SECRETS AND CONFIDENTIAL INFORMATION

11.1 Area Developer acknowledges that the System involves trade secrets owned by Franchisor and that, during its relationship with Franchisor, Area Developer will acquire knowledge of confidential information, including know-how, sales, organizational, operational and other information concerning the System.

11.2 Area Developer agrees that, without Franchisor's prior written consent, it will never either during or after the term of the Area Grant, use or allow the use of any trade secret or confidential information except in connection with the operation of its business or the Franchised Businesses by persons actively involved in the operation of the business(es). Area Developer further agrees that it will not disclose the contents of any manuals, plans, records or other documents relating to its business or to the Franchised Businesses to any third party, except a party who is actively involved in the operation of the business(es) and who has a valid need for disclosure. Any employee or independent contractor to whom a trade secret or confidential information is disclosed will be informed that the trade secret or confidential information is confidential and proprietary to Franchisor, and that it may not be used except under an area development or franchise agreement with Franchisor.

11.3 Area Developer must not disclose confidential information and/or financial information as to Franchisor or the Franchised Business to any competitor or potential competitor of Franchisor or of any MP CONEY ISLAND franchisee or area developer. Franchisee must keep records, subject to inspection by Franchisor, identifying all persons to whom Franchisee reveals the financial information.

11.4 Area Developer agrees to promptly reveal to Franchisor discoveries, inventions, innovations or improvements made by Area Developer, or by any of Area Developer's Managers, employees or independent contractors, relating to materials, devices, methods or processes in any way connected with the System, and further agrees that all proprietary interests in the information, materials, devices, methods, techniques, know-how and processes utilizing those discoveries, inventions, innovations and improvements will be the property of Franchisor.

11.5 Area Developer agrees that use of any trade secret or confidential information contrary to any term of this Agreement is an act of infringement, and that the use will cause irreparable injury to Franchisor and entitle Franchisor to an order of specific performance and/or a temporary, preliminary or permanent injunction, without bond, from a court or agency of competent jurisdiction, court costs, reasonable expenses of litigation, reasonable attorneys' fees, and any other appropriate relief. Area Developer agrees that its only remedy if an injunction is entered against Area Developer will be the dissolution of that injunction, if warranted, upon due hearing, and expressly waives all claims for damages caused by the wrongful issuance of any injunction.

12. AREA DEVELOPER AS INDEPENDENT CONTRACTOR

12.1 Relationship of Parties. Under this Agreement, Area Developer is an independent contractor with entire control and direction of the area development business, subject only to the terms of this Agreement and its attachments. This Agreement is not intended to, and does not create a fiduciary or other special relationship between the parties, or make any

party a principal, agent, legal representative, parent, affiliate, subsidiary, joint venturer, partner, employer, joint employer, employee or servant of any other party for any purpose. In that regard:(a) Franchisor has no right or duty to operate the area development business, and disclaim any liability under this Agreement for any damages arising out of the operation of the area development business.

(b) Area Developer is solely responsible for recruiting, interviewing, hiring, determining the terms of employment of, compensating, keeping the time of, processing the payroll of, providing work resources to, scheduling, supervising, disciplining and firing its personnel, and Area Developer's personnel are not Franchisor's employees, independent contractors or agents. Franchisor has no right or duty to supervise, or to exercise control over, Area Developer's personnel in the operation of the area development business, and disclaims any rights or responsibilities as to Area Developer's personnel. To the extent that Franchisor provides Area Developer with guidelines, recommendations, materials and other resources related to functions such as recruiting, interviewing, hiring, determining the terms of employment of, compensating, keeping the time of, processing the payroll of, providing work resources to, scheduling, supervising, disciplining or firing personnel, Area Developer may use those resources, or may choose to use alternate resources. Area Developer is solely responsible for consulting with its own third party human resources ("HR") service provider and/or legal counsel concerning compliance with personnel laws and regulations that are applicable within the Area, and for complying with those laws and regulations.

(c) Except as provided in this Agreement, Area Developer is solely responsible for training its personnel. To the extent that Franchisor provides Area Developer with guidelines, recommendations, materials and other resources related to training Area Developer's management and non-management personnel, Area Developer may use those resources, or may choose to use alternate resources, so long as its personnel are trained to operate the area development business in a System-compliant, legal and safe manner.

(d) Area Developer is solely responsible for establishing and enforcing its own policies related to personnel practices and labor relations. To the extent that Franchisor provides Area Developer with guidelines, recommendations and materials related to personnel practices and labor relations, Area Developer may use those resources, or may choose to use alternate resources. Area Developer is solely responsible for consulting with its own third party HR service provider and/or legal counsel concerning compliance with personnel and labor relations laws and regulations that are applicable within the Area, and for complying with those laws and regulations.

12.2 Notices to Public, Etc. During the term of the Area Grant, Area Developer agrees to hold itself out, to the public, public officials, its suppliers, its independent contractors and others, as an independent contractor operating the area development business pursuant to rights granted by Franchisor, but not jointly with Franchisor. Area Developer agrees to take any reasonable action that Franchisor considers necessary to that end, including exhibiting notices of the parties' relationship in a conspicuous manner at any premises of the area development business, and on websites, letterhead, forms, business cards, electronic communications, advertisements, and other materials Franchisor designates. Franchisor reserves the right to specify and change the content and form of these notices.

12.3 Statements to and Acknowledgements by Employees. During the term of the Area Grant, Area Developer shall hold itself out to its prospective employees, and to its employees, as an independent contractor operating the area development business pursuant to rights granted by Franchisor, but not jointly with Franchisor. Area Developer shall take any reasonable action that Franchisor considers necessary to that end, including (i) stating conspicuously on each employment application that the prospective employee is applying to be Area Developer's employee and not an employee of Franchisor, (ii) stating Area Developer's entire business name, rather than just using Franchisor's brand name and/or logo, on Area Developer's payroll checks and/or payroll-related communications to employees, and (iii) requiring employees to sign acknowledgements that they are not employees of Franchisor, even though they are selling products and services identified by Franchisor's brand name and/or logo, are receiving payroll checks and other communications that contain Franchisor's brand name and/or logo, may have applied for jobs through Franchisor's website(s), or may communicate with or receive non-mandatory feedback, coaching or recommendations from Franchisor's representatives in emails or other electronic or written communications, or during telephone calls, meetings or inspections. Franchisor reserves the right to specify and change the content and form of these statements and acknowledgements.

12.4 Contracts, Etc. Nothing in this Agreement authorizes Area Developer to make any contract, agreement, warranty or representation on Franchisor's behalf; to incur any obligation, debt or expense in Franchisor's name; or to make any representation to any third party tending to indicate a business relationship with Franchisor beyond that created under this Agreement. Franchisor disclaims any liability for, and will not be liable under this Agreement for any claim or judgment arising as a result of, any such action. Under this Agreement, no party is responsible for any obligations, debts or expenses of any other party.

13. INDEMNIFICATION

13.1 Area Developer must indemnify Franchisor, Franchisor's affiliates, successors and assigns, and Franchisor's partners, shareholders, officers, directors, employees and agents, for any expenses arising out of any claim directly or indirectly related to Area Developer's establishment or operation of any Franchised Business or performance or lack of performance under this Agreement, if the claim does not arise from the gross negligence or wrongful conduct of Franchisor. Area Developer acknowledges (i) that Franchisor does not have any reserved or general right to exercise control over, and do not exercise any indirect or direct control over, the day-to-day operation of the area development business (including operations-related functions such as safety, security, the use of equipment or the use of motor vehicles, and personnel-related functions such as recruiting, interviewing, hiring, determining the terms of employment, compensating, timekeeping, payroll processing, providing work resources, scheduling, supervising, disciplining and firing), (ii) that all liability arising out of the operation of the area development business is therefore Area Developer's responsibility, and (iii) that Area Developer's indemnification obligation under this Section 13.1 covers any "joint employer," "agency," "ostensible agency" or similar claims by third parties based on the establishment or operation of the area development business. Area Developer must promptly notify Franchisor of any claim by or against Area Developer directly or indirectly related to Area Developer's establishment or operation of any Franchised Business and, on request, must furnish Franchisor with copies of any filings in any proceeding involving the claim.

13.2 As used in this Section 13, the word “expenses” includes all losses, compensatory, exemplary or punitive damages, fines, charges, costs, lost profits, attorneys’ fees, accountants’ fees, expert witness fees, expenses, court costs, settlement amounts, judgments, compensation for damages to reputation or goodwill, costs of or resulting from delays or financing, costs of advertising material and media time/space and costs of changing, substituting or replacing the same, and costs of recall, refunds, compensation and public notices.

13.3 The indemnification obligations of Area Developer will survive the expiration or termination of the Area Grant for as long as any potential for liability under any applicable law, rule, ordinance, statute or judicial decision remains. In this regard, to the maximum extent permitted by law, Area Developer expressly and irrevocably waives the effect of any statute of limitation which would, by lapse of time, limit its indemnification obligations.

14. TRANSFERS OF INTEREST

14.1 Transfer by Franchisor. Franchisor may sell, assign, transfer, convey, give away, pledge, hypothecate, mortgage or otherwise encumber (“transfer”) all or any part of its rights, interests or obligations under this Agreement to any person or entity.

14.2 Transfer by Area Developer.

(a) Area Developer acknowledges that the rights and obligations under this Agreement are personal to Area Developer, and that Franchisor has granted the Area Grant in reliance on Area Developer’s business skill, financial capacity, personal character and reputation for honesty, integrity, and fair dealing. Accordingly, Area Developer, any immediate or remote successor to any part of Area Developer’s interest in Area Developer, this Agreement, any attachments, the Area Grant or the Franchised Businesses, any shareholder if Area Developer is a corporation, or any general or limited partner (including any person or entity which controls, directly or indirectly, any general or limited partner) if Area Developer is a partnership, any member if Area Developer is a limited liability company, may not transfer any interest in Area Developer, this Agreement, any related agreement, the Area Grant or any Franchised Business, without the prior written consent of Franchisor. Any purported transfer not having the prior written consent of Franchisor, including any purported transfer to a creditor, will be null and void.

(b) Franchisor will not unreasonably withhold its consent to a transfer of any interest in Area Developer, this Agreement, any related agreement, the Area Grant or any Franchised Business, but if a transfer, alone or together with other previous, simultaneous or proposed transfers, would have the effect of transferring either a controlling interest in or operating control of Area Developer, this Agreement, any related agreement, the Area Grant or any Franchised Business, Franchisor may, in its sole and absolute right, require as conditions to its consent that:

(i) Area Developer is in substantial compliance with the terms of this Agreement and any franchise agreements;

(ii) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) has demonstrated to Franchisor’s satisfaction that it meets the then-current standards which Franchisor would normally apply to any prospective Area Developer. The transferee, for example, has demonstrated that it meets Franchisor’s

educational, personal, managerial and business standards; possesses a good moral character and a good business reputation; has the aptitude and ability to establish and operate Franchised Businesses (as may be shown by prior related experience); has adequate financial resources and capital to establish and operate the Franchised Businesses; is financially responsible and has a good credit rating; will be likely in Franchisor's sole and absolute judgment to comply with the terms of this Agreement or Franchisor's then-current standard area development agreement, the franchise agreement(s) and Franchisor's then-current standard franchise agreement and manuals; and has no direct or indirect connection with any actual or potential competitor of Franchisor or of any MP CONEY ISLAND franchisee or area developer;

(iii) Area Developer's debts to Franchisor and others relating to the Area Grant and the Franchised Businesses have been satisfied;

(iv) Area Developer and the transferor have executed a general release, in a form satisfactory to Franchisor, of any claims against Franchisor and its partners, shareholders, officers, directors, employees and agents, in their corporate and individual capacities;

(v) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) has entered into a written transfer agreement, in a form satisfactory to Franchisor, assuming and agreeing to discharge Area Developer's and/or the transferor's obligations under this Agreement and any attachments;

(vi) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) has executed Franchisor's then-current standard area development agreement (excluding any requirement to pay an initial area development fee) and attachments (including any guaranty agreements) for a term ending on the same date as the expiration date of Area Developer's then-current term;

(vii) The transferee and its Manager, if any, have agreed to successfully complete (at the transferee's expense and to Franchisor's satisfaction) any training programs then in effect for area developers;

(viii) Area Developer or the transferor has paid a transfer fee of \$2,500 per undeveloped site;

(ix) Franchisor has decided not to exercise its right of first refusal, if any, under Section 14.5;

(x) Franchisor has consented to the material terms and conditions of the transfer, including the price and terms of payment, which will not be so burdensome as to adversely affect the establishment and operation of Franchised Businesses by the transferee; and

(xi) If any part of the sale price of any transferred interest is to be financed, the transferor will have agreed that all obligations of the transferee under any promissory notes, agreements or security interests reserved by the transferor in the assets of the Franchised Businesses will be subordinate to the obligations of the transferee to pay continuing franchise fees, advertising contributions and other amounts due to Franchisor and its affiliates, or

otherwise to comply with this Agreement or the area development agreement executed by the transferee.

(c) Except as specified below, the transfer fee specified in Section 14.2(b)(viii) is non-refundable and fully earned by Franchisor when paid. If transferee is unable to successfully complete initial training, in its sole and absolute discretion, Franchisor may cancel this Agreement or the transferee's then-current area development agreement. If Franchisor so cancels this Agreement or the transferee's then-current area development agreement, Franchisor will refund the transfer fee, less out-of-pocket expenses incurred, if the transferee agrees to terms substantially similar to those in Sections 11, 16 and 21.

(d) No transfer in the nature of a grant of a security interest in Area Developer, this Agreement, any related agreement, the Area Grant or any Franchised Business will be permitted without Franchisor's prior written consent, which consent will be granted or withheld in Franchisor's sole and absolute right. If Franchisor consents to a transfer in the nature of a grant of a security interest, and if the holder of the security interest later seeks to exercise the rights of Area Developer or assume the interest of Area Developer in this Agreement, any related agreement, the Area Grant or any Franchised Business due to a default under any documents related to the security interest, Franchisor will have the option to purchase the rights of the secured party by paying all sums then due to the secured party, and the secured party will sign an agreement to that effect before any transfer takes place.

14.3 Transfer to Area Developer's Legal Entity. If the proposed transfer is to a legal entity controlled by Area Developer which is formed solely for the convenience of ownership, Franchisor's consent to the transfer may, in its sole and absolute right, be conditioned on the following requirements:

(a) The legal entity's activities will be confined exclusively to establishing and operating MP CONEY ISLAND restaurants;

(b) Area Developer will own a majority stock interest, membership interest or partnership interest in the transferee legal entity, and will act as its principal operating officer, member or partner;

(c) Each stock certificate of a corporation, certificate of interest of a partnership or membership will have conspicuously endorsed on its face a statement in a form satisfactory to Franchisor that it is held subject to, and that further transfer is subject to, all restrictions on transfers in this Agreement;

(d) All shareholders, partners, or members jointly and severally guarantee the legal entity's performance and will bind themselves to the terms of this Agreement and any attachments, but the terms of this Section 14.3(d) will not apply to any corporation registered under the Securities Exchange Act of 1934 as a publicly held corporation;

(e) Area Developer will maintain a current list of all partners, members or shareholders and beneficial owners of any class of stock, and furnish the list to Franchisor on request; and

(f) Copies of the transferee legal entity's organizing documents and any other significant governing documents, promptly will be furnished to Franchisor.

14.4 Transfer and Issuance of Securities. If Area Developer is a legal entity, it will maintain stop transfer instructions against the transfer of any stock certificate or certificate of interest contrary to the terms of this Section 14, and will issue no certificate on the face of which the following statement does not legibly and conspicuously appear:

The transfer of this {insert type of ownership interest} is subject to the terms of an Area Development Agreement dated {insert date} between MP Coney Island Franchising, LLC and {insert name of legal entity}.

14.5 Franchisor's Right of First Refusal.

(a) If Area Developer or any other person at any time determines to sell an interest in Area Developer, this Agreement, any related agreement, the Area Grant or any Franchised Business, a true and complete copy of the offer (and any proposed ancillary agreements) will immediately be submitted to Franchisor by Area Developer or the other person or entity involved. The offer must apply only to an interest in Area Developer, this Agreement, any related agreement, the Area Grant or any Franchised Business. It must not include the purchase of any other property or rights of Area Developer (or its shareholder, partner or member), but if the offeror proposes to buy any other property or rights of Area Developer (or its shareholder, partner, or member) under a separate, contemporaneous offer, the price and terms of purchase offered to Area Developer (or its shareholder, partner, or member) for the interest in Area Developer, this Agreement, any related agreement, the Area Grant or any Franchised Business will reflect the bona fide price offered and will not reflect any value for any other property or rights. Franchisor will have the right, exercisable by written notice delivered to Area Developer or the person or entity involved within 30 days after receipt of the copy of the offer, to purchase the interest for the price and on the terms and conditions contained in the offer, provided that Franchisor may substitute cash or a cash equivalent for any form of payment proposed in the offer, Franchisor's credit will be deemed equal to the credit of any proposed purchaser, and Franchisor will have not less than 60 days to prepare for closing. If the parties cannot agree on a cash equivalent within a reasonable time, three appraisers will be designated (1 by Franchisor, 1 by Area Developer, and 1 jointly by the first 2 appraisers), and their determination will be binding. The parties will equally share the fees and expenses of any appraiser jointly selected, but each will pay separately for any appraiser it independently selects. Franchisor will be entitled to purchase the interest subject to all customary representations and warranties given by the seller of the assets of a business or voting stock of an incorporated business, as applicable, including representations and warranties as to ownership, condition and title to stock and/or assets, liens and encumbrances relating to the stock and/or assets, validity of contracts, and liabilities, contingent or otherwise, of the corporation whose stock is purchased. If Franchisor does not exercise its right of first refusal, Area Developer or the person or entity involved may complete the sale to the purchaser under the terms of the offer subject to Franchisor's consent to the transfer under Section 14.2(b), but if the sale to the purchaser is not completed within 120 days after receipt of the offer by Franchisor, or if there is a material change in the terms of the sale, Franchisor will have an additional right of first refusal for 30 days on the same terms and conditions as were applicable to the initial right of first refusal.

(b) If a proposed transferee is the spouse, child or parent of the proposed transferor, or is a person or entity already holding an equity interest in Area Developer, this Agreement, any related agreement, the Area Grant or any Franchised Business as of the date

of this Agreement that has been disclosed to Franchisor, Franchisor will not have any right of first refusal as provided in Section 14.5(a), unless the proposed transferee has a direct or indirect connection with any actual or potential competitor of Franchisor or of any MP CONEY ISLAND area developer or franchisee. Written notification of this type of transfer must be provided to Franchisor by the transferor at least 30 days before consummation of the transfer.

14.6 Transfer On Death, Permanent Incapacity or Dissolution. On the death or permanent incapacity of any person with an interest in Area Developer, this Agreement, any related agreement, the Area Grant or any Franchised Business, or on the dissolution of Area Developer if it is a legal entity, the executor, administrator, personal representative or trustee (“personal representative”) of that person or entity will transfer his, her or its interest to a third party acceptable to Franchisor within 180 days after assuming that capacity. Any transfer of this type, including a transfer by devise or inheritance, will be subject to the same requirements as other transfers under this Agreement, but if the transfer is to a spouse, child or parent, the fee required under Section 14.2(b)(viii) will not be required. If the personal representative is unable to meet these conditions, the personal representative will have an additional 60 days to dispose of the interest, which disposition will be subject to the requirements for transfers in this Agreement, including the requirements of this Section 14. If the interest is not disposed of within 60 days, Franchisor may terminate this Agreement.

14.7 Interim Operation of Business on Death or Permanent Disability. Pending transfer on the death or permanent incapacity of Area Developer (or the principal operating officer, partner or member of Area Developer, if it is a legal entity), Franchisor will have the option to appoint a general manager to operate Area Developer’s area development business and the Franchised Businesses for the account of Area Developer until an approved transferee is able to assume the operation of Area Developer’s area development business and the Franchised Businesses, for a period of up to 12 months without the consent of Area Developer, the personal representative of Area Developer, or Area Developer’s successor in interest. All funds from the operation of the Area Developer’s area development business and the Franchised Businesses during the period of operation by a Franchisor-appointed general manager will be kept in a separate fund, and all expenses incurred, including the Franchisor-appointed appointed general manager’s wages and benefits, and his or her reasonable traveling, lodging and meal expenses (the “Management Expenses”), will be charged to the fund. As compensation for services provided, Franchisor will charge the fund the full amount of the Management Expenses incurred during the period of operation by Franchisor. Franchisor will only have a duty to utilize reasonable efforts in operating Area Developer’s area development business and the Franchised Businesses, and will not be liable to Area Developer or its principals for any debts, losses or obligations incurred by Area Developer’s area development business or the Franchised Businesses, or to any creditor for any equipment, inventory, products, services or supplies purchased for Area Developer’s area development business or the Franchised Businesses during any period in which they are operated by the Franchisor-appointed general manager.

14.8 Non-Waiver of Claims. Franchisor’s consent to a transfer of any interest in Area Developer, this Agreement or any related agreement, the Area Grant or the Franchised Businesses will not be a waiver of any claims it may have against the transferring party, nor will it be a waiver of Franchisor’s right to demand the transferee’s compliance with the terms of this Agreement.

14.9 Public or Private Offering. Securities of Area Developer or an entity owning a direct or indirect equity interest in Area Developer, this Agreement, any related agreement, the Area Grant or any Franchised Businesses may be offered to the public in a private or public offering only with the prior written consent of Franchisor (whether or not Franchisor's consent is required under Section 14.2(b)), which consent will not be unreasonably withheld. The terms of this Section 14.9 are subject to Section 11, including Section 11.3. No offering will imply (by use of the Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of securities. Area Developer will reimburse Franchisor for its reasonable expenses incurred in connection with the offering or proposed offering (including attorneys' fees). The prospectus or other literature utilized in any offering must contain the following language in bold-face type on its first textual page:

“NEITHER MP CONEY ISLAND FRANCHISING, LLC NOR ANY AFFILIATE IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED, AND NEITHER MP CONEY ISLAND FRANCHISING, LLC NOR ANY AFFILIATE ASSUMES ANY RESPONSIBILITY AS TO THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION GIVEN, INCLUDING ANY STATEMENTS MADE WITH RESPECT TO THAT CORPORATION. NEITHER MP CONEY ISLAND FRANCHISING, LLC NOR ANY AFFILIATE ENDORSES OR MAKES ANY RECOMMENDATION AS TO THE INVESTMENT CONTEMPLATED BY THIS OFFERING.”

Area Developer agrees to indemnify, defend and hold harmless Franchisor and its affiliates, and their respective officers, directors, employees and agents, from all claims, demands, liabilities, and from all costs and expenses (including reasonable attorneys' fees) incurred in the defense of any claims, demands or liabilities, arising from the offer or sale of the securities, whether asserted by a purchaser of any securities or by a governmental agency. Franchisor will have the right, but not the obligation, at the expense of Area Developer, to defend any claim or demand and/or to participate in the defense of any action to which it is named as a party.

15. DEFAULT AND TERMINATION

15.1 Automatic Termination. Except as may be prohibited by federal bankruptcy law or applicable state law, Area Developer will be deemed to be in default under this Agreement, and the Area Grant will automatically terminate without notice to Area Developer, if Area Developer makes a general assignment for the benefit of creditors, files a voluntary bankruptcy petition, suffers the filing of an involuntary bankruptcy petition which is not dismissed within 60 days after filing, is adjudicated a bankrupt, or suffers temporary or permanent court-appointed receivership of substantially all of its property; if suit to foreclose any lien or mortgage against all or part of Area Developer's area development business is instituted and not dismissed within 30 days; or if all or part of Area Developer's area development business is sold after levy by any sheriff, marshal or constable.

15.2 Termination On Notice. Except as may be prohibited by federal bankruptcy law or applicable state law, Area Developer will be in default and Franchisor may, in its sole and absolute right, terminate the Area Grant, without giving Area Developer any opportunity to cure the default, effective immediately on giving written notice of termination to Area Developer, if:

(a) Area Developer is insolvent (is unable to pay its debts as they come due or has debts that are more than its assets) and not otherwise subject to automatic termination under Section 15.1;

(b) Area Developer (or a principal officer, shareholder, partner or member of Area Developer, if Area Developer is a legal entity) is convicted of a felony, a crime involving consumer fraud, or any other crime that is reasonably likely, in the sole and absolute judgment of Franchisor, to have an adverse effect on the System, the Marks, the goodwill associated with the System or the Marks, or Franchisor's interest in the System or the Marks;

(c) Area Developer (or a principal officer, shareholder, partner or member of Area Developer, if Area Developer is a legal entity) participates in an activity, such as an unfair trade practice or another improper business or personal activity, that is having, or that has had within the past 60 days, in Franchisor's sole and absolute judgment, a significant adverse effect on the System, the Marks, the goodwill associated with the System or the Marks, or Franchisor's interest in the System or the Marks;

(d) Area Developer has repeatedly failed to make timely payments of any amounts owed to Franchisor, or has repeatedly committed defaults of this Agreement, within 12 months of any prior default for which Franchisor has given Area Developer written notice;

(e) Area Developer knowingly makes a material false or incomplete statement, including the underpayment or underreporting by 5% or more for any 3-month period, of any amount owed to Franchisor or any affiliate or subsidiary of Franchisor, in any report submitted to Franchisor;

(f) Franchisor discovers that Area Developer knowingly made a material false or incomplete statement to Franchisor to obtain the Area Grant;

(g) Area Developer or any other person or entity purportedly transfers any interest contrary to Section 14;

(h) Area Developer improperly discloses any information learned or received under this Agreement and designated as "Confidential", contrary to Section 11;

(i) An approved transfer is not effected following death, permanent incapacity or dissolution as required by Section 14.6; or

(j) Area Developer suffers any federal, state or local tax lien or levy or suit to enforce the same, brought against Area Developer or Area Developer's property.

(k) Any franchise for a restaurant granted to Area Developer (or any affiliate of Area Developer) by Franchisor (whether or not granted under this Agreement) is terminated for any reason.

15.3 Termination After Notice and Opportunity to Cure. Area Developer will have 30 days, or any lesser period specified below, or any greater period permitted by Franchisor or required by law, to cure any default for which Franchisor has given written notice of termination to Area Developer under this Section 15.3 and to provide Franchisor with evidence of the cure. If a default is not cured within that period, the Area Grant will terminate without the need for further notice to Area Developer, effective immediately on the expiration

of the cure period. Franchisor may give written notice of termination under this Section 15.3 for any failure by Area Developer to comply with any term of this Agreement. Defaults may include, for example, if:

(a) Area Developer fails, refuses or neglects to pay Franchisor or any affiliated company any sum owing when due under this Agreement or any other agreement, or to submit to Franchisor any required information when due under this Agreement, and does not cure such default within 10 days after notice from Franchisor (or such other cure period specified in another agreement, unless no cure period is specified, in which case, the 10-day cure period will apply);

(b) Area Developer fails, refuses or neglects to obtain Franchisor's prior written acceptance, approval or consent as required by this Agreement;

(c) Area Developer misuses or makes any unauthorized use of the System or the Marks, or otherwise materially impairs the goodwill associated with Franchisor's rights in the System or the Marks;

(d) Area Developer or its Manager fails to comply with the requirement of personal attention under Section 4;

(e) Area Developer fails to maintain books and records in a manner which permits an accurate determination of amounts owing to Franchisor or its affiliates;

(f) Area Developer fails, refuses or neglects to pay any third party, including any major supplier or any governmental taxing or licensing authority, any amount owing when due, or to satisfy any other material obligation under this Agreement; or

(g) Area Developer fails to comply with the Development Schedule.

Franchisor disclaims any right under this Agreement to terminate the Area Grant based on any decision or action by Area Developer regarding recruiting, interviewing, hiring, determining the terms of employment of, compensating, keeping the time of, processing the payroll of, providing work resources to, scheduling, supervising, disciplining or firing its personnel.

15.4 Termination With Cause by Area Developer. Area Developer may terminate the Area Grant with cause, if Franchisor has materially defaulted in the performance of any material obligation under this Agreement, and if:

(a) Area Developer has given Franchisor written notice of termination;
and

(b) Franchisor has failed to cure a noticed default within 60 days after the notice is given; but if Franchisor will be delayed, hindered in or prevented from the performance of any act required by the notice because of strike, labor trouble, inability to procure materials, restrictive governmental law or regulation, riot, insurrection, war or act of war, default of another party, or other reason beyond its control, then performance of the act will be excused for the period of delay, and the period of performance of the act will be extended for a period equivalent to the period of the delay.

15.5 In lieu of terminating the Area Grant under this Section 15, Franchisor may, in its sole and absolute right, either or both of the following:

- (a) Terminate any Area protection granted to Area Developer; or
- (b) Reduce the size of the Area granted to Area Developer.

15.6 Any franchise agreement issued by Franchisor to Area Developer before any action by Franchisor under this Section 15 will not be affected by the action and will remain in effect until it expires or is terminated according to its terms.

15.7 For purposes of this Agreement, any franchise or area grant granted by Franchisor to Area Developer or any legal entity in which Area Developer, or any stockholder, partner, or member of Area Developer, has any direct or indirect beneficial interest, will be deemed a franchise or area grant granted by Franchisor to Area Developer.

16. OBLIGATIONS ON REPURCHASE, EXPIRATION OR TERMINATION

16.1 On repurchase, expiration or termination of the Area Grant, in addition to meeting its other continuing obligations under this Agreement:

- (a) Area Developer immediately and permanently will discontinue use of any materials or designations (including the Marks) indicating or tending to indicate that Area Developer is in any way an MP CONEY ISLAND area developer;
- (b) Area Developer immediately and permanently will discontinue use of the System and any information received under this Agreement and designated as “Confidential”;
- (c) Area Developer promptly will return to Franchisor or its designee, or, if directed by Franchisor, destroy, all manuals, bulletins, instruction sheets, forms, devices and other materials, and all copies of the same, received by Area Developer under this Agreement; and
- (d) Area Developer promptly will take any action necessary to cancel any assumed name or equivalent registration that contains the mark MP CONEY ISLAND or any other Mark, and submit to Franchisor proof of compliance with this obligation within 30 days after repurchase, termination or expiration.

16.2 On repurchase, expiration or termination of the Area Grant, Area Developer and Franchisor will make a prompt and final accounting. Any amounts owed under this Agreement, any amounts related to Area Developer’s area development business owed to third parties, and any other amounts related to Area Developer’s area development business owed for judgments or otherwise, promptly will be paid by the owing party.

16.3 Area Developer will be relieved of its obligations under this Section 16 only to the extent necessary to permit Area Developer to perform its obligations as to any franchises which have not expired or been repurchased or terminated.

17. ENTIRE AGREEMENT; EXECUTION DATE; MODIFICATION

17.1 This Agreement and the attachments are the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Area Developer. Nothing in this Agreement or in any related agreement, however, is intended to disclaim any representations made to Area Developer in Franchisor's Franchise Disclosure Document (including its exhibits and any quarterly updates or amendments). The terms of this Agreement are binding on the parties, and on their heirs, executors, administrators, successors and assigns.

17.2 The execution date of this Agreement is the date it is countersigned by Franchisor.

17.3 Except as otherwise specified in this Agreement, it may not be modified except in a written agreement of at least equal formality signed by the parties.

18. INTERPRETATION

18.1 The caption headings of this Agreement are for convenience only and should in no way affect the manner in which any term of this Agreement is interpreted.

18.2 Whenever the context requires, the singular includes the plural, the plural includes the singular, the whole includes any part, and any gender includes all other genders.

18.3 The following words have the following meanings in this Agreement and any attachments: "including" means "including but not limited to"; and "repeatedly" means "at least 3 times".

18.4 Whenever this Agreement gives Franchisor the right to perform an act in the future, that act may be performed "from time to time," when Franchisor chooses, in its sole and absolute right, unless stated otherwise in this Agreement.

18.5 If two or more parties sign this Agreement for Area Developer or as guarantors for Area Developer, their liability is joint and several.

18.6 This Agreement is governed by the Federal Arbitration Act (9 U.S.C. § 1 *et seq.*) and the laws of Pennsylvania; but if any term of this Agreement not governed by the Federal Arbitration Act is not enforceable under the laws of Pennsylvania, that term is governed by the laws of the state in which the largest portion of Area Developer's Area is located.

19. PARTIAL INVALIDITY

19.1 If any Section of this Agreement is determined to be wholly invalid, that determination will not be deemed to affect the validity of any other Section. The parties agree that the remaining Sections will be deemed to be in full force and effect as if they had been executed by the parties after removal of the invalid Section. If any Section is determined to be partially invalid, the remainder of that Section will continue to be enforceable if in accordance with the intent of the parties.

19.2 If any applicable and binding law or rule of any jurisdiction requires greater prior notice of the termination of the Area Grant than is required by this Agreement, or the taking of some other action not required by this Agreement, or if under any applicable and

binding law or rule of any jurisdiction, any provision of this Agreement or any mandatory standard or specification in our manuals is invalid or unenforceable, the notice and/or action required by the law or rule will be substituted for the notice or action requirements of this Agreement, or the invalid or unenforceable provision, standard or specification will be modified to the extent required to be valid and enforceable. The modifications to this Agreement and our manuals will be effective only in the jurisdiction requiring them, and this Agreement and our manuals will be enforced as originally entered into or issued in all other jurisdictions.

20. WAIVER

20.1 Neither the failure of Franchisor to exercise any right reserved to it under this Agreement, nor the failure of Franchisor to insist on compliance by Area Developer with any term of this Agreement, nor any custom or practice of the parties at variance with any term of this Agreement, will not constitute a waiver of Franchisor's right to demand compliance with any term of this Agreement. Waiver by Franchisor of any default will not affect or impair Franchisor's rights as to any subsequent default of the same or a different nature; nor will any delay, forbearance or omission by Franchisor to exercise any right as to any default of any term of this Agreement affect, impair or be a waiver by Franchisor of any right as to any subsequent default. Franchisor's rights under this Agreement are cumulative, and Franchisor's exercise or enforcement of any right or remedy under this Agreement will not preclude Franchisor from exercising or enforcing any other right or remedy to which it is entitled.

20.2 Area Developer expressly waives the right to bring any claim against Franchisor, or against any of Franchisor's affiliates, owners, officers or representatives, based on any statutory or common law theory, to the fullest extent permitted by law.

21. ARBITRATION; ENFORCEMENT

21.1 Except as otherwise specified in this Agreement, the parties agree that any dispute between them, or any claim by one or more of them, concerning this Agreement or any related agreement, the Area Grant or the Franchised Businesses that cannot be settled through negotiation, will be resolved solely and exclusively by binding arbitration, unless agreed otherwise by the parties.

21.2 Arbitration will be supervised by the American Arbitration Association ("AAA") and conducted under the then-prevailing commercial arbitration rules of the AAA, before 1 arbitrator. Any arbitration hearing will take place in the AAA office nearest to the home office of Franchisor at the time, and will be conducted on an individual, not a class-wide, basis. No arbitration award will have any preclusionary or collateral estoppel effect in any other arbitration or adjudicatory proceeding. Judgment on an arbitration award may be entered in any court of competent jurisdiction, and will be binding, final and non-appealable.

21.3 If any dispute or claim cannot be the subject of arbitration, the parties agree that the dispute or claim will be separated from all other disputes and claims, which other disputes and claims will first be resolved by arbitration, after which any dispute or claim which cannot be the subject of arbitration will be brought before any court specified in Section 21.6. If the parties are unable to separate out these matters, their allegations and positions on them will be brought before the arbitrator, who will rule separately on the matters, and that ruling will be subject to appropriate judicial review on the petition of a party.

21.4 Nothing in this Section 21 will prevent Franchisor from obtaining temporary, preliminary or permanent injunctive relief, without bond, from a court or agency of competent jurisdiction against actual or threatened conduct causing loss or damage that can be remedied under usual equity rules.

21.5 If any arbitration, any action for any dispute or claim which cannot be the subject of arbitration, or any action for injunctive relief is started concerning this Agreement or any related agreement, the Area Grant or the Franchised Businesses, the party which substantially prevails in that arbitration or action will be entitled to a judgment against the other party for the costs of the arbitration or action, including reasonable attorneys' fees, reasonable expenses of arbitration or litigation, and arbitration or court costs.

21.6 Area Developer and Franchisor each waives, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agrees that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it. Area Developer and Franchisor each irrevocably waives trial by jury in any action, whether at law or equity, brought by either of them. Area Developer and Franchisor each also agrees that any action brought by either of them relating to this Agreement or any related agreement, the Area Grant or the Franchised Businesses will be brought in a state or federal court of general jurisdiction in the county or city in which the home office of Franchisor is located at the time. Area Developer irrevocably submits to the jurisdiction of these courts and waives any objections it may have to the venue of these courts.

22. NOTICES

22.1 Any notice required to be given under this Agreement will be deemed to be given when delivered: by certified mail; by receipted courier or delivery service; by email; or personally. If delivery has not occurred after at least two of these methods have been used, any notice required to be given under this Agreement will be deemed to be given 3 days after being posted by first-class mail, postage prepaid.

22.2 Notices to Franchisor will be sent to the address of Franchisor as stated in this Agreement or to any other address Franchisor may specify to Area Developer in writing. Notices to Area Developer will be sent to the address of Area Developer as stated in this Agreement or any other address Area Developer may specify to Franchisor in writing.

23. ACCEPTANCES, APPROVALS AND CONSENTS

23.1 Acceptances, approvals and consents required by this Agreement will not be unreasonably withheld or delayed.

23.2 Whenever this Agreement requires the prior acceptance, approval or consent of Franchisor, Area Developer will make a timely written request to Franchisor for the acceptance, approval or consent, which will be obtained in writing.

23.3 Franchisor assumes no liability or obligation to Area Developer by providing any acceptance, approval, consent or recommendation to Area Developer, or by delaying action on or denying any request for an acceptance, approval or consent.

24. ACKNOWLEDGMENTS BY AREA DEVELOPER

24.1 Area Developer acknowledges that:

(a) It acknowledges that complete and detailed uniformity among MP CONEY ISLAND area developers under varying conditions may be inadvisable, impractical or impossible, and accordingly agrees that Franchisor, in its sole and absolute right, may modify or vary aspects of the System as to any area developer or group of area developers based on, for example, local sales potential, demographics, competition, business practices or other conditions. It further agrees that Franchisor will have no obligation to disclose or offer the same or similar variances to Area Developer. It is aware that other MP CONEY ISLAND area developers may operate under different agreements and, consequently, that Franchisor's obligations and rights as to those area developers may differ materially in certain circumstances.

(b) Neither it nor any of its owners has been designated as a suspected terrorist as set forth on the list of Specially Designated Nationals as promulgated by the Office for Asset Control under the U.S. Department of Treasury.

Each of the undersigned agrees to the terms of this Agreement.

AREA DEVELOPER

By: _____
Printed Name: _____
Title: _____
Date: _____

FRANCHISOR:

MP CONEY ISLAND FRANCHISING, LLC

By: _____
Printed Name: _____
Title: _____
Date: _____

RIDER TO AREA DEVELOPMENT AGREEMENT FOR USE IN MARYLAND

For use in Maryland, this Agreement is modified as follows:

- (a) Sections 5.1 and 6.1 are modified by the addition of the following language:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all development fees and initial payments by Area Developer shall be deferred until the first franchise under the development agreement opens.

- (b) Section 14.2(b)(iv) is replaced with the following:

(iv) Area Developer and transferor have signed a general release, in a form satisfactory to Franchisor, of any claims against Franchisor and its partners, shareholders, officers, directors, employees and agents, in their corporate and individual capacities, except for any claims arising under the Maryland Franchise Registration and Disclosure Law.

- (c) Section 21.6 is replaced with the following:

21.6 Area Developer and Franchisor each waives, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agrees that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it. Area Developer and Franchisor each irrevocably waives trial by jury in any action, whether at law or equity, brought by either of them. Area Developer and Franchisor each also agrees that any action brought by either of them relating to this Agreement or any related agreement, the Area Grant or the Franchised Businesses will be brought in a state or federal court of general jurisdiction in the county or city in which the home office of Franchisor is located at the time, but Area Developer and Franchisor each agree that any action based on any claim arising under the Maryland Franchise Registration and Disclosure Law may be brought in a court in Maryland. Area Developer irrevocably submits to the jurisdiction of these courts and waives any objections it may have to the venue of these courts.

- (d) The following Section 21.7 is added:

21.7 Area Developer understands that any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the Franchise.

- (e) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language:

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

franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each of the undersigned agrees to the terms of this Rider.

AREA DEVELOPER

By: _____

Printed Name: _____

Title: _____

Date : _____

FRANCHISOR:

MP CONEY ISLAND FRANCHISING, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

Attachment 1
AREA ADDENDUM

Attachment 2

DEVELOPMENT ADDENDUM

Attachment 3

LEGAL ENTITY INFORMATION SHEET

Legal Entity Name/Type: _____

State/Date of Formation: _____

Shareholders/Partners/Members:

_____ % Interest	_____ Class/General or Limited Partner	_____ Printed Name
_____ % Interest	_____ Class/General or Limited Partner	_____ Printed Name
_____ % Interest	_____ Class/General or Limited Partner	_____ Printed Name
_____ % Interest	_____ Class/General or Limited Partner	_____ Printed Name
_____ % Interest	_____ Class/General or Limited Partner	_____ Printed Name

Documents:	Not Required	Provided to Us	To Be Provided to Us Within 30 Days
Certificate and Articles of Incorporation	☐	☐	☐
Certificate and Agreement of Partnership	☐	☐	☐
Certificate and Agreement of Membership	☐	☐	☐
By-Laws	☐	☐	☐
Resolution Authorizing Franchise	☐	☐	☐
Agreement	☐	☐	☐
Other: _____	☐	☐	☐

Conditions:

The legal entity's activities must be confined exclusively to operating the area development business.

_____ (or another person with our written consent) must act as the legal entity's principal operating officer, partner or member.

Each shareholder, partner, spouse, or member who has or have more than a 5% interest must sign the Guaranty Agreement (Attachment 1).

The legal entity must maintain stop transfer instructions against transfer on its records of any stock certificate or certificate of interest contrary to the terms of the area development agreement.

Each stock certificate of the corporation or certificate of interest of the partnership or membership must include the statement specified in the area development agreement.

The legal entity must maintain a current list of all shareholders, partners or members and other beneficial owners, and must furnish the list to us on request.

Attachment 4

GUARANTY AGREEMENT

In consideration of, and as an inducement to, the execution by MP CONEY ISLAND FRANCHISING, LLC ("Franchisor") of the Area Development Agreement between Franchisor and _____ ("Area Developer") executed on _____ (the "Agreement") each undersigned personally and unconditionally (1) guarantees to Franchisor and its successors and assigns, for the term of the Area Grant and thereafter as provided in the Agreement, that Area Developer will punctually pay or perform each obligation in the Agreement, and (2) agrees to be personally bound by, and personally liable for the default of, each term of the Agreement. Each of the undersigned waives:

- (1) acceptance and notice of acceptance by Franchisor of these undertakings;
- (2) notice of demand for payment of any indebtedness or non-performance of any obligation guaranteed;
- (3) protest and notice of default to any party as to any indebtedness or non-performance of any obligation guaranteed;
- (4) any right he or she may have to require that an action be brought against Area Developer or any other person as a condition of liability;
- (5) any other notices and legal or equitable defenses to which he or she may be entitled; and
- (6) any modification, waiver or changes to the franchise agreement to which this guaranty is attached, or to any attachments.

Each of the undersigned agrees that:

- (1) his or her direct and immediate liability under this guaranty is joint and several;
- (2) he or she will render any payment or performance required under the Agreement on demand if Area Developer fails or refuses to do so when due, or within any applicable cure period;
- (3) his or her liability will not be contingent or conditioned on pursuit by Franchisor of any remedies against Area Developer or any other person;
- (4) his or her liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Area Developer or any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claim, none of which will in any way modify or amend this guaranty, which will be continuing and irrevocable for as long as any obligation in the Agreement remains in effect;

(5) in a legal action for breach of this guaranty or to enforce the terms of this guaranty, whether for damages, injunctive relief, the return of property or any other legal or equitable remedy, he or she will pay Franchisor's reasonable attorneys' fees, court costs and reasonable out-of-pocket expenses related to the action if Franchisor substantially prevails in the action;

(6) he or she waives, and assigns to Franchisor, all exemptions which he or she may have under any law as against any obligation in this guaranty; and

(7) any action brought by him or her or by Franchisor relating to this guaranty will be brought in a state or federal court of general jurisdiction in the county or city in which the home office of Franchisor is located at the time, and he or she irrevocably submits to the jurisdiction of these courts and waives any objections he or she may have to the venue of these courts.

Each of the undersigned affixes his or her signature to this guaranty as of the same date as the date of execution of the Agreement.

GUARANTOR

Name: _____

Address: _____

GUARANTOR

Name: _____

Address: _____

EXHIBIT C

FRANCHISEE/AREA DEVELOPER QUESTIONNAIRE

FRANCHISEE/AREA DEVELOPER QUESTIONNAIRE

IMPORTANT NOTE: If you are domiciled in Maryland, the Franchised Business will be located in Maryland or you have been in Maryland while communicating with Franchisor, **do not answer any of the questions in this Questionnaire.** If the foregoing situations apply and you answer any of the questions in this Questionnaire, your answers will not act as a release, estoppel or waiver of any liability incurred by Franchisor under the Maryland Franchise Registration and Disclosure Law.

MP Coney Island Franchising, LLC (“Franchisor”) and you are preparing to enter into a franchise agreement and/or an area development agreement related to the establishment and operation of a franchised MP CONEY ISLAND restaurant(s). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please understand that your responses to these questions are important to us and that we will rely on them. Please review each of the following questions and statements carefully, and provide an honest and complete response to each. By signing this Questionnaire, you are representing that you have responded truthfully to the following questions.

1. I had my first face-to-face meeting with an MP CONEY ISLAND representative on _____.

2. I have received and personally reviewed the MP CONEY ISLAND Franchise Disclosure Document (the “FDD”) that was provided to me.

Yes _____ No _____

3. Did you sign a receipt for the FDD indicating the date you received it?

Yes _____ No _____

4. Do you understand all of the information in the FDD and any state-specific addendum to the FDD?

Yes _____ No _____

If No, what parts of the FDD and/or addendum do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the franchise agreement and any area development agreement, and each addendum and related agreement attached to either of them?

Yes _____ No _____

6. Do you understand all of the information in the franchise agreement, any area development agreement, and each addendum and related agreement provided to you?

Yes _____ No _____

If no, what parts of the franchise agreement or any area development agreement do you not understand? (Attach additional pages, if necessary.)

7. Have you entered into any binding agreement with Franchisor for the purchase of the franchise or any area development rights before today?

Yes _____ No _____

8. Have you paid any money to Franchisor for the purchase of the franchise or any area development rights before today?

Yes _____ No _____

9. Have you discussed the benefits and risks of establishing and operating a franchised MP CONEY ISLAND restaurant with your legal counsel or business advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

10. Do you understand that the success or failure of your MP CONEY ISLAND restaurant depends in large part on your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

Except as disclosed in Item 19 of the disclosure document, Franchisor does not make information available to prospective franchisees concerning actual, average, projected or forecasted sales, profits or earnings. Franchisor does not furnish, or authorize its salespersons to furnish, any oral or written information concerning the actual, average, projected, forecasted sales, costs, income or profits of a franchised business. Franchisor specifically instructs its sales personnel, agents, employees and other officers that they are not permitted to make any claims or statements as to the earnings, sales, profits, prospects or chances of success, nor are they authorized to represent or estimate dollar figures as to a franchisee's operation. Actual results vary from franchise to franchise and are dependent on a variety of internal and external factors, some of which neither Franchisor nor you can estimate. To ensure that Franchisor's policies have been followed, please answer the following questions:

11. Has any employee of Franchisor, or any other person speaking for Franchisor, made any statement or promise to you regarding the total revenue a franchised MP CONEY ISLAND restaurant will generate that is contrary to the information in the disclosure document?

Yes _____ No _____

12. Has any employee of Franchisor, or any other person speaking for Franchisor, made any statement or promise of the amount of money or profit you may earn in operating a franchised MP CONEY ISLAND restaurant that is contrary to the information in the disclosure document?

Yes _____ No _____

13. Has any employee of Franchisor, or any other person speaking for Franchisor, made any statement or promise regarding the operating costs you may incur in operating a franchised MP CONEY ISLAND restaurant that is contrary to the information in the disclosure document?

Yes _____ No _____

14. Has any employee of Franchisor, or any other person speaking for Franchisor, made any statement or promise of the likelihood of success that you should or might expect to achieve from operating a franchised MP CONEY ISLAND restaurant?

Yes _____ No _____

15. Has any employee of Franchisor, or any other person speaking for Franchisor, made any statement, promise or agreement of the advertising, marketing, training, support service or assistance that Franchisor will furnish to you that is contrary to, or different from, the information in the FDD?

Yes _____ No _____

16. If you have answered "Yes" to any 1 of questions 11-15, please provide a full explanation of each "Yes" answer. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of questions 11-15, please leave the following lines blank.

17. I have conducted an independent investigation of the business contemplated by the franchise agreement and any area development agreement, recognize that the business involves significant risks, making the success of the business largely dependent on my abilities and attention. I acknowledge that I have not received or relied on, any representation, warranty or guarantee, expressed or implied, as to the potential sales, profits or success of the Franchised Business, except any financial performance representations contained in Item 19 of the FDD.

Yes _____ No _____

18. In entering into the franchise agreement and any area development agreement, I have not relied on any representation by Franchisor, or any of Franchisor's shareholders, members, partners, officers, directors, employees or agents, concerning the Franchised Business which are contrary to the terms of the franchise agreement and any area development agreement, or the representations in the FDD (including its exhibits and any updates or amendments) provided to me by Franchisor.

Yes _____ No _____

19. I have read and understand the franchise agreement and any area development agreement, and have been accorded ample time and opportunity to consult with existing franchisees, and with financial, legal and other advisors of my own choosing, about the potential benefits and risks of establishing and operating a Franchised Business under a franchise agreement.

Yes _____ No _____

20. I received the FDD, including Franchisor's standard franchise agreement and area development agreement, at least 14 calendar days before signing the franchise agreement and any area development agreement, or making any payment to Franchisor.

Yes _____ No _____

21. I received a substantially complete version of the franchise agreement and any area development agreement at least 7 calendar days before signing the franchise agreement and any area development agreement, if the terms of any agreement are materially different from the terms in Franchisor's standard agreement, and if those materially different terms did not arise out of negotiations initiated at my request. If the terms of the franchise agreement and any area development agreement are materially different from the terms of your agreement, you have informed me of the differences at least 7 calendar days before I signed the franchise agreement and any area development agreement.

Yes _____ No _____

22. I have made no payment to Franchisor before signing of the franchise agreement and/or any area development agreement.

Yes _____ No _____

23. I signed the franchise agreement and any area development agreement on _____, and acknowledge that no agreement is effective until signed and dated by Franchisor.

Yes _____ No _____

I certify that my answers to the foregoing questions are true, correct and complete.

FRANCHISEE

Name: _____

Date: _____

FRANCHISEE

Name: _____

Date: _____

EXHIBIT D

**MANAGER/SUPERVISOR CONFIDENTIALITY
AND NON-COMPETITION AGREEMENT**

**MANAGER/SUPERVISOR CONFIDENTIALITY
AND NON-COMPETITION AGREEMENT**

THIS AGREEMENT is entered into by _____
_____ (“we,” “us,” or “our”), a franchisee of MP Coney Island
Franchising, LLC (“MP Coney Island”), and _____
_____ (“you,” “your” or “yourself”).

RECITALS

- A. We desire to engage you; and
- B. You desire to be engaged or employed by us, in connection with our MP CONEY ISLAND restaurant.

In consideration of the recitals above and the terms below, the parties agree:

1. Covenants Not to Disclose; Covenants Not to Compete. You agree that certain methods of doing business and other elements comprising the MP CONEY ISLAND system are distinctive and have been developed by MP Coney Island and us at great effort, skill, time and expense; that you will have regular and continuing access to valuable trade secrets, confidential information and valuable training regarding the MP CONEY ISLAND system; and that you recognize your obligation to promote and develop our MP CONEY ISLAND restaurant. You accordingly agree as follows:

(a) Except as required in duties performed for us, you will never, either during or after the term or engagement or employment, either directly or indirectly, use, or disseminate or disclose to any person or entity, any trade secrets or confidential information, including customer names, other customer information and business methods, of MP Coney Island or us, and will always seek to preserve the confidentiality of those trade secrets and confidential information.

(b) During your engagement or employment, you will not, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, divert or attempt to divert any business or customer of ours to any competitor or other person by direct or indirect inducement or otherwise, but this Section will not prevent you from referring customers in good faith to other businesses, including competitors’ businesses, that may be able to provide those customers with products or services not available from our business.

(c) During your engagement or employment and for an uninterrupted period of 1 year after termination of your engagement or employment, regardless of the cause of termination, you will not, without the written consent of us and MP Coney Island, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, engage or seek to engage as an independent contractor or employ or seek to employ any person who, within the preceding 6 months, has been an independent contractor or employee of MP Coney Island, us or any other MP CONEY ISLAND franchisee.

(d) During your engagement or employment, you will not, without the written consent of us and MP Coney Island, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any other person or entity, own, maintain, engage in, have any interest in or perform any service for any business other than us located in the United States that, offers or that franchises or licenses others to offer, products or services that are the same as or substantially similar to products and services offered by us or MP Coney Island.

(e) For 1 year after termination of his or her engagement or employment, regardless of the cause of termination, you will not, without the written consent of us and MP Coney Island, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any other person or entity, own, maintain, engage in, have any interest in or perform any service for any business that offers, or that franchises or licenses others to offer, products or services that are the same as or substantially similar to the products or services that were or could have been offered by us or MP Coney Island when you were engaged or employed, and that operates: (1) within our Territory, or (2) within the Territory of any other franchisee's business operating or in planning at the time of termination.

2. You agree that we may, if we require in our sole discretion, reduce the scope of any term or subpart of any term in this Agreement without your consent, effective immediately on written notice from us, and you agree that you will promptly comply with any term or subpart so modified, that will be fully enforceable notwithstanding any other term or subpart of this Agreement.

3. Covenants As Independent, and As Conditions Precedent to Engagement or Employment. Your covenants in Section 1 are independent of any other terms of this Agreement, and are conditions precedent to engagement or employment. Any claim or cause of action against us or MP Coney Island, whether predicated on this Agreement or otherwise, will not be a defense to the enforcement by us or MP Coney Island of the covenants in Section 1.

4. Covenants Concerning Company Property. You agree that all our records, including records of our customers and all other records relating in any manner to our MP CONEY ISLAND restaurant, whether prepared by you or otherwise coming into your possession, are the exclusive property of us or MP Coney Island. Additionally, you agree that all files, records, documents, drawings, specifications and similar items for our MP CONEY ISLAND restaurant, including all copies of those items, whether prepared by you or otherwise coming into your possession, will not be removed by you from our premises without our written consent. Any records not at our premises will immediately be returned to us by you on termination of your engagement or employment, regardless of the cause of termination.

5. Severability. If a part of a covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency, you agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in this Agreement. If an entire covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency, the remaining covenants in this Agreement will continue in effect.

6. Injunctive Relief. We or MP Coney Island, in addition to other legal and equitable rights, will be entitled to temporary, preliminary or permanent injunctive relief, without bond, restraining your actual or threatened violation of any covenant in this Agreement.

7. Attorneys' Fees. In a legal action for damages, injunctive relief, the return of property or any other legal or equitable remedy, you agree to pay our or MP Coney Island's reasonable attorneys' fees, court costs and reasonable out-of-pocket expenses for the action.

8. Governing Law This Agreement will be governed by the laws of the state in which our principal business office is located on the date of signing of this Agreement.

9. Binding Effect. This Agreement will be binding on the parties, and their heirs, executors, administrators, successors and assigns.

10. Modification. This Agreement may not be modified except in written agreement of at least equal formality signed by the parties.

The undersigned agree to the terms of this Agreement.

INDEPENDENT CONTRACTOR OR EMPLOYEE

Date: _____

COMPANY _____

Name: _____

Title: _____

Date: _____

(Note: To be signed by each Manager, each management independent contractor or employee, and each person from Company attending MP Coney Island's initial training.)

EXHIBIT E

SAMPLE GENERAL RELEASE

GENERAL RELEASE

This General Release is made and executed by _____, individually (“you”), as of _____ (“Effective Date”).

WHEREAS, MP Coney Island Franchising, LLC, a Pennsylvania limited liability company (“we”) and you entered into a franchise agreement dated _____, and
DESCRIBE FACTS THAT APPLY AT TIME RELEASE IS TO BE SIGNED.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which are acknowledged, you agree as follows:

You, for yourself and each of your past and present heirs, executors, administrators, representatives, successors and assigns, in their corporate and individual capacities (collectively “Releasor”), hereby release and forever discharge us and each of our predecessors, successors, affiliates, subsidiaries, assigns, officers, directors, shareholders, agents and employees, and their respective heirs, executors, administrators, representatives, successors and assigns, in their corporate and individual capacities (collectively “Releasees”), from, in respect of and in relation to any and all claims, demands, causes of action, suits, debts, obligations, sums of money, acts, omissions or refusals to act, damages, judgments and demands, of any kind whatsoever, joint or several, known or unknown, which against Releasees the Releasor ever had, now has or which Releasees hereinafter can, shall or may have, for, upon or by reason of any matter, cause or thing may whatsoever, through the Effective Date.

Name, individually

STATE OF _____ §

§

COUNTY OF _____ §

I hereby certify that before me, a notary public, personally appeared **NAME** who made oath in due form of law that s/he was executing the foregoing General Release for the purposes therein contained.

As witness, my hand and Notarial Seal on _____, 20__.

Notary Public

My Commission Expires:

EXHIBIT F
FINANCIAL STATEMENTS

MP Coney Island Franchising, LLC
Report on Audit of Financial Statements
December 31, 2023 and 2022

Prepared by: HD Davis CPAs, LLC
Certified Public Accountants
4308 Belmont Ave., Ste 1
Youngstown, Ohio 44505
(330) 759-8522

FINANCIAL STATEMENTS

MP CONEY ISLAND FRANCHISING, LLC

December 31, 2023 and 2022

C O N T E N T S

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July 17, 2024

To the Members
MP Coney Island Franchising, LLC
New Castle, PA

Independent Auditor's Report

We have audited the accompanying financial statements of MP Coney Island Franchising, LLC (a partnership), which comprises the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and members' deficit and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion the financial statements referred to above present fairly, in all material aspects, the financial position of MP Coney Island Franchising, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MP Coney Island Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financials Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MP Coney Island Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MP Coney Island Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MP Coney Island Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

HD Davis CPAs

HD Davis CPAs LLC
Certified Public Accountants

BALANCE SHEETS

MP CONEY ISLAND FRANCHISING LLC

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 9,418	\$ 10,656
TOTAL CURRENT ASSETS	<u>9,418</u>	<u>10,656</u>
<u>OTHER ASSETS</u>		
Construction in process	13,712	13,712
Organizational costs	3,500	3,500
Less: Accumulated amortization	<u>(466)</u>	<u>(233)</u>
TOTAL OTHER ASSETS	<u>16,746</u>	<u>16,979</u>
TOTAL ASSETS	<u><u>\$ 26,164</u></u>	<u><u>\$ 27,635</u></u>
<u>LIABILITIES AND MEMBERS' DEFICIT</u>		
<u>CURRENT LIABILITIES</u>		
Due to related party - NOTE B	\$ 55,423	\$ 70,823
TOTAL CURRENT LIABILITIES	<u>55,423</u>	<u>70,823</u>
<u>MEMBERS' DEFICIT - NOTE B</u>	<u>(29,259)</u>	<u>(43,188)</u>
TOTAL LIABILITES AND MEMBERS' DEFICIT	<u><u>\$ 26,164</u></u>	<u><u>\$ 27,635</u></u>

See Auditor's report and accompanying notes to financial statements

STATEMENTS OF OPERATIONS AND MEMBERS' DEFICIT

MP CONEY ISLAND FRANCHISING LLC

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>REVENUE</u>		
Franchise	\$ 35,000	\$ 35,000
TOTAL REVENUE	<u>35,000</u>	<u>35,000</u>
 <u>OPERATING EXPENSES</u>		
Advertising & Promotion	0	500
Bank charges	246	138
Consultant	10,000	68,000
Insurance	2,842	458
Office expenses	100	100
Professional fees	7,650	23,759
Amortization expense	233	233
TOTAL OPERATING EXPENSE	<u>21,071</u>	<u>93,188</u>
NET INCOME (LOSS)	<u>13,929</u>	<u>(58,188)</u>
 <u>MEMBERS' DEFICIT</u>		
Beginning of year	(43,188)	15,000
End of year	<u>\$ (29,259)</u>	<u>\$ (43,188)</u>

See Auditor's report and accompanying notes to financial statements

STATEMENTS OF CASH FLOWS

MP CONEY ISLAND FRANCHISING LLC

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Income (loss)	\$ 13,929	\$ (58,188)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Amoritization expense	233	233
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	14,162	(57,955)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of construction in process	0	(13,712)
Purchase of organizational cost	0	(3,500)
NET CASH USED IN INVESTING ACTIVITIES	0	(17,212)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase (decrease) in due to/from related party	(15,400)	70,823
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(15,400)	70,823
NET CHANGE IN CASH	(1,238)	(4,344)
<u>CASH</u>		
Beginning of year	10,656	15,000
End of year	<u>\$ 9,418</u>	<u>\$ 10,656</u>

See Auditor's report and accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

MP CONEY ISLAND FRANCHISING, LLC

December 31, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business:

MP Coney Island Franchising, LLC is a Pennsylvania Limited Liability Company formed on September 29, 2021, located in New Castle, Pennsylvania. The Company offers franchises for the establishment and operation of hot dog shops and is in the business of selling franchise licenses, or the right to franchise the Company's business model, as well as providing various support services to franchisees in the restaurant industry.

Method of Accounting:

The Company utilizes the accrual basis of accounting in conformity with U.S. generally accepted accounting principles.

Cash and Cash Equivalents:

The Company considers highly liquid debt instruments purchased with an original maturity date of three months or less to be cash equivalents.

Franchising:

The Company generates revenues from franchising through individual franchise agreements. The Company recognizes these revenues in accordance with Financial Accounting Standards Board (FASB) ASC 606, Revenue from Contracts with Customers, which requires deferral until performance obligations are satisfied. When a franchise is sold, the Company agrees to provide certain services to the franchisee including training, opening assistance and ongoing training. For purposes of ASC 606, the Company has interpreted the guidance in ASC 606-10-25-19 to not consider those pre-opening services to be separate performance obligations from the franchise license. The Company recognizes revenue once substantial performance of the franchisor obligations is complete, which is normally upon opening of the store.

The franchise agreements require the franchisee to pay an initial, non-refundable fee upon the signing of the agreement and continuing monthly royalty fees a 5.0% of gross sales. The initial term of the franchise agreement is ten years with renewal options of ten years subject to certain conditions. In some cases, the Company may enter into a multi-unit development agreement with a franchisee, which allows a single franchisee to open more than one store in a specified geographical area.

Royalty revenue from store sales is recognized as earned by the Company on a monthly basis. Monthly contributions to the Marketing Fund by franchisees are recorded as a liability until the funds are disbursed on advertising expense, as defined in the franchise agreements.

Late Fees:

An administrative fee per occurrence is charged for any delinquent payment by a franchisee. Interest of the lesser of 10% per year or highest contract rate of interest allowed by law is payable by the franchisee on all overdue amounts.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

MP CONEY ISLAND FRANCHISING, LLC

December 31, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes:

The Company, with the consent of its members, elected under the Internal Revenue Code to be taxed as a partnership. In lieu of corporate income taxes, the partners of a partnership are taxed on their proportionate share of the Company's taxable income or loss. Therefore, no provision for income taxes has been included in the financial statements.

NOTE B – CONTROLLING INTEREST AND RELATED PARTY TRANSACTIONS

Controlling Interest:

All of the outstanding membership units of the Company are owned equally by three individuals.

Related Party Transactions:

Mitsos Realty LLC an entity wholly-owned by the Company's members, makes payments on behalf of the Company for costs and expenses incurred in the ordinary course of business. Amounts owed by the Company under this arrangement totaled \$55,423 and \$70,823 at December 31, 2023 and 2022, respectively.

NOTE C – COMMITMENTS AND CONTINGENCIES

At December 31, 2023, the Company had 2 franchise agreements.

NOTE D – SUBSEQUENT EVENTS

Management evaluated all activity of the Company through July 17, 2024, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes, except as described below.



MP Coney Island Franchising, LLC

Financial Statements

December 31, 2024 and 2023

MP Coney Island Franchising, LLC

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December 31, 2024 and 2023

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Independent Auditors' Report

To the Members of
MP Coney Island Franchising, LLC

Report on the Audit of the December 31, 2024 Financial Statements

Opinion

We have audited the financial statements of MP Coney Island Franchising, LLC (the Company), which comprise the balance sheet as of December 31, 2024, and the related statements of operations and members' deficit and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Company for the year ended December 31, 2023, were audited by another auditor, who expressed an unmodified opinion on those statements on May 21, 2025.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

New Castle, Pennsylvania
July 10, 2025

MP Coney Island Franchising, LLC

Balance Sheets

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash	\$ 33,324	\$ 9,417
Total current assets	<u>33,324</u>	<u>9,417</u>
Other Assets		
Intangible assets, net	<u>2,801</u>	<u>3,034</u>
Total other assets	<u>2,801</u>	<u>3,034</u>
Total assets	<u>\$ 36,125</u>	<u>\$ 12,451</u>
Liabilities and Members' Deficit		
Current Liabilities		
Due to related parties	\$ 48,154	\$ 48,154
Accounts payable	360	-
Deferred franchise fee	<u>35,000</u>	<u>-</u>
Total current liabilities	83,514	48,154
Members' Deficit	<u>(47,389)</u>	<u>(35,703)</u>
Total liabilities and members' deficit	<u>\$ 36,125</u>	<u>\$ 12,451</u>

See notes to financial statements

MP Coney Island Franchising, LLC

Statements of Operations and Members' Deficit

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenue		
Initial franchise fees	\$ -	\$ 35,000
Royalties	<u>36,509</u>	<u>-</u>
Total revenue	<u>36,509</u>	<u>35,000</u>
Operating Expenses		
Professional fees	13,452	25,826
Commissions	7,000	3,500
Travel expense	5,000	-
Insurance	3,305	2,842
Advertising and promotion	2,000	-
Computer expense	1,000	-
Bank charges	570	246
Franchising fee	460	-
Amortization expense	<u>233</u>	<u>233</u>
Total operating expense	<u>33,020</u>	<u>32,647</u>
Net income	3,489	2,353
Members' Deficit		
Beginning	(35,703)	(38,056)
Distributions	<u>(15,175)</u>	<u>-</u>
Ending	<u>\$ (47,389)</u>	<u>\$ (35,703)</u>

See notes to financial statements

MP Coney Island Franchising, LLC

Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Net income	\$ 3,489	\$ 2,353
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of intangible assets	233	233
Increase in liabilities:		
Accounts payable	360	-
Deferred franchise fee	35,000	-
Net cash provided by operating activities	<u>39,082</u>	<u>2,586</u>
Cash Flows From Financing Activities		
Distributions	(15,175)	-
Decrease in due to related parties	-	(28,824)
Net cash used in financing activities	<u>(15,175)</u>	<u>(28,824)</u>
Net change in cash	23,907	(26,238)
Cash, Beginning	<u>9,417</u>	<u>35,655</u>
Cash, Ending	<u>\$ 33,324</u>	<u>\$ 9,417</u>

See notes to financial statements

MP Coney Island Franchising, LLC

Notes to Financial Statements
December 31, 2024 and 2023

1. Nature of Business

MP Coney Island Franchising, LLC (the Company) is a Pennsylvania Limited Liability Company formed on September 29, 2021, located in New Castle, Pennsylvania. The Company offers franchises for the establishment and operation of hot dog shops and is in the business of selling franchise licenses, or the right to franchise the Company's business model, as well as providing various support services to franchisees in the restaurant industry.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company's records are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Revenue Recognition

The Company generates revenues from franchising through individual franchise agreements. The Company recognizes these revenues in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *Revenue From Contracts With Customers*, which requires deferral until performance obligations are satisfied. When a franchise is sold, the Company agrees to provide certain services to the franchisee including training, opening assistance and ongoing training. For purposes of ASC 606, the Company has interpreted the guidance in ASC 606-10-25-19 to not consider those pre-opening services to be separate performance obligations from the franchise license. The Company recognizes revenue once substantial performance of the franchisor obligations is complete, which is normally upon opening of the store.

The franchise agreements require the franchisee to pay an initial, non-refundable fee upon the signing of the agreement and continuing monthly royalty fees at 5.0% of gross sales. The initial term of the franchise agreement is 10 years with renewal options of ten years subject to certain conditions. In some cases, the Company may enter into a multi-unit development agreement with a franchisee, which allows a single franchisee to open more than one store in a specified geographical area.

Royalty revenue from store sales is recognized as earned by the Company on a monthly basis. Monthly contributions to the Marketing Fund by franchisees will be recorded as a liability until the funds are disbursed on advertising expense, as defined in the franchise agreements. No contributions have been made to the Marketing Fund since the inception of the Company.

Late Fees

An administrative fee per occurrence is charged for any delinquent payment by a franchisee. Interest of the lesser of 10% per year or highest contract rate of interest allowed by law is payable by the franchisee on all overdue amounts.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.

MP Coney Island Franchising, LLC

Notes to Financial Statements
December 31, 2024 and 2023

Cash and Cash Equivalents

The Company considers all cash accounts and all highly liquid investments with a maturity of three months or less to be cash equivalents. At December 31, 2024 and 2023, the Company had no cash equivalents.

Intangible Assets

Intangible assets include organizational costs which are amortized on a straight-line basis over the estimated period of fifteen years.

Income Taxes

The Company, with the consent of its members, elected under the Internal Revenue Code to be taxed as a partnership. In lieu of corporate income taxes, the partners of a partnership are taxed on their proportionate share of the Company's taxable income or loss. Therefore, no provision for income taxes has been included in the financial statements.

Subsequent Events

In preparing these financial statements, the Company evaluated events that occurred through July 10, 2025, the date the financial statements were available to be issued, for potential recognition or disclosure.

3. Intangible Assets

Intangible assets consist of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Organizational costs	\$ 3,500	\$ 3,500
Less accumulated amortization	<u>(699)</u>	<u>(466)</u>
Intangible assets, net	<u>\$ 2,801</u>	<u>\$ 3,034</u>

Amortization expense related to intangible assets other than goodwill amounted to \$233 for each of the years ended December 31, 2024 and 2023.

Approximate future expected amortization expense for intangible assets as of December 31, 2024, is as follows:

Years ending December 31:	
2025	\$ 233
2026	233
2027	233
2028	233
2029	233
Thereafter	<u>1,636</u>
	<u>\$ 2,801</u>

MP Coney Island Franchising, LLC

Notes to Financial Statements
December 31, 2024 and 2023

4. Controlling Interest and Related-Party Transactions

Controlling Interest

All of the outstanding membership units of the Company are owned equally by three individuals and one partnership.

Related-Party Transactions

Mitsos Realty LLC and Mitsos Restaurants, LLC, entities wholly owned by the Company's members, make payments on behalf of the Company for costs and expenses incurred in the ordinary course of business. Amounts owed by the Company under this arrangement totaled \$48,154 at December 31, 2024 and 2023.

5. Commitments and Contingencies

At December 31, 2024, the Company had four franchise agreements.

NOTICE

THE FOLLOWING FINANCIAL STATEMENT IS PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

MP Coney Island Franchising, LLC

Balance Sheet

(05/31/2025)

Assets

- **Cash & Equivalents:** \$35,633.62
- **Other Assets:** \$0.00

Total Assets: \$35,633.62

Liabilities

- **Accounts Payable:** \$0.00
- **Loans Payable:** \$0.00
- **Other Liabilities:** \$0.00
- **Total Liabilities:** \$0.00

Equity

- **Owner's Equity (Retained Earnings from Net Income):** \$35,633.62

Total Liabilities & Equity: \$35,633.62

MP Coney Island Franchising, LLC

Income Statement

(For the Period January 1, 2025 to May 31, 2025)

Revenue

- **Franchise Fees:** \$0.00
- **Royalties:** \$11,983.00
- **Total Revenue:** **\$11,983.00**

Expenses

- **Legal:** \$3,200.00
- **Fees and Licenses:** \$691.85
- **Commissions:** \$0.00
- **Accounting:** \$3,498.00
- **Social Media:** \$2,500.00
- **Insurance:** \$1,377.00
- **Distributions:** \$0.00
- **Miles:** \$0.00
- **Total Expenses:** **\$11,266.85**

Net Income

- **Total Net Income:** **\$716.15**

EXHIBIT G

FRANCHISEES AND AFFILIATE-OWNED RESTAURANTS

FRANCHISEES WITH OPEN OUTLETS AS OF DECEMBER 31, 2024

None

FRANCHISEES AS OF DECEMBER 31, 2024 WHO SIGNED FRANCHISE AGREEMENTS BUT DID NOT HAVE OPEN OUTLETS

Pennsylvania

Greg Deporzio
2215 Ellwood Rd
New Castle, PA 16101
(724) 730-8565

Lakers Development Group, LLC
220 Olde Colony Drive
New Castle PA, 16105
Store Address: 6360 Sterrettania Rd, Fairview, PA 16415
(814) 616-0033

At the close of our last fiscal year end, we had no area developers.

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

AFFILIATE-OWNED RESTAURANT AS OF DECEMBER 31, 2024

Pennsylvania

MP Coney Island
2712 Wilmington Road
New Castle, PA 16105
(724) 986-8548

EXHIBIT H

FORMER FRANCHISEES

FRANCHISEES WHO CEASED OPERATION IN 2024

TRANSFERS

None

TERMINATIONS

None

NON-RENEWALS

None

REACQUIRED BY FRANCHISOR

None

CEASED OPERATIONS FOR OTHER REASONS

None

HAVE NOT COMMUNICATED WITH US

None

EXHIBIT I

STATE EFFECTIVE DATES PAGE

STATE EFFECTIVE DATES

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

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

State	Effective Date
Maryland	[]

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

EXHIBIT J

RECEIPTS

**RECEIPT
(YOUR COPY)**

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 MP Coney Island Franchising, LLC (“we” or “us”) offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If MP Coney Island Franchising, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency.

The name, principal business address and telephone number of each franchise seller offering the franchise: William Mitsos, John Mitsos, and Angelo Mitsos, 2712 Wilmington Road, New Castle, PA 16105, (724) 986-8548; and _____.

Date of Issuance: August 6, 2025

Our registered agents authorized to receive service of process are William Mitsos and Angelo Mitsos, 2712 Wilmington Road, New Castle, PA 16105, (724) 986-8548.

I have received a disclosure document dated August 6, 2025 that includes the following Exhibits:

- | | | | |
|---|---|---|--|
| A | Franchise Agreement, State Riders
and Attachments | E | Sample General Release |
| B | Area Development Agreement, State Riders
and Attachments | F | Financial Statements |
| C | Franchisee/Area Developer Questionnaire | G | Franchisees and Affiliate-Owned
Restaurants |
| D | Manager/Supervisor Confidentiality and
Non-Competition Agreement | H | Former Franchisees |
| | | I | State Effective States Date |
| | | J | Receipts |

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

KEEP THIS COPY FOR YOUR RECORDS. This disclosure document is available in other formats by request to John Mitsos at jmitsos@mpconeyisland.com.

**RECEIPT
(OUR COPY)**

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| | | I | State Effective States Page |
| | | J | Receipts |

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the Receipt, date your signature, and return it to us addressed as follows: John Mitsos, 2712 Wilmington Road, New Castle, PA 16105. This disclosure document is available in other formats by request to John Mitsos at jmitsos@mpconeyisland.com.