

Type of Fee(1)	Amount	Due Date	Remarks
		time your Royalty Fee is deducted.	
Manager Training or Retraining Costs (3)	\$500 to \$1,500	As incurred.	Payable when a new manager needs training and/or upon our determination that you require additional training.
Successor Franchise Fee	\$12,500	Upon the extension of your rights to operate the Pokeworks Restaurant	Payable before you execute your Successor Franchise Agreement.
Transfer fee	50% of our current Initial Franchise Fee for a single unit franchise at the time of the transfer	Upon transfer.	Payable when you transfer your franchise.
Audit Fee (4)	Cost of audit estimated at \$15,000-25,000	As incurred.	Required if Franchisee's gross sales are understated by more than two percent (2%) or if Franchisor shall determine that the accounts and records of Franchisee are not in compliance with the terms of the Franchise Agreement and/or are misstated according to GAAP.
Late Fees (5)	Lesser of 10% of balance past due after 30 days or the highest rate allowed by law	With payment of overdue amount.	
Technology Fee	Currently \$300 per month	Deducted from your bank account via electronic funds transfer on the 10 <sup>th</sup> day of each month.	<del>We</del> <u>Annually, we</u> may <del>increase</del> <u>adjust</u> the Technology Fee <del>from-</del> <u>time to time based on-</u> <del>an allocable portion-</del> <u>of the increases into</u> <del>of the increases into</del> <u>an amount not to</u> <del>exceed an amount</del> <u>exceed an amount</u> <del>equal to the quotient</del> <u>equal to the quotient</u>

Type of Fee(1)	Amount	Due Date	Remarks
			<p><u>of (1) 100% multiplied by</u> the actual costs and expenses that we <u>expect to incur over the next 12 months</u> to supply the Technology and any Technology Upgrades (as such terms are defined in the Franchise Agreement)- <u>that we provide to you, other franchisees and our and our affiliate-owned Pokeworks Restaurants, divided by (2) the number of open and operating franchised and company and affiliate owned Pokeworks Restaurants at the time we implement the adjustment.</u></p> <p><u>See ITEM 11</u> for a summary of what the Technology Fee covers.</p>
Costs of Enforcement or Defense	All costs, including reasonable accounting and legal fees.	Upon settlement or conclusion of claim or action.	You must reimburse us for all costs we incur in enforcing our obligations under the Franchise Agreement if we prevail.
Indemnification	Varies	As incurred.	You must pay the costs to defend and resolve claims and suits against us at your cost involving or resulting from your Pokeworks Restaurant.

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

**Except as listed below, Pokeworks is not required to provide you with any assistance.**

**Pre-Opening Assistance**

1. Site Selection and Designation of Franchise Territory or Multiple Unit Territory: We will assist you in selecting a site for your Pokeworks Restaurant that is approved by us and designate your Franchise Territory (See Section 1.1 and **Schedules A and B** of the Franchise Agreement). Factors we use in reviewing a potential site include neighborhood demographics, including day and night time population density, vehicle and foot traffic flow and patterns, sales activity of neighboring business tenants, proximity to schools and businesses, traffic patterns, condition and size of premises, lease terms, parking and ease of access to the site. If a site cannot be agreed upon by you and us within 180 days from the date you sign the Franchise Agreement, the Franchise Agreement could be terminated by us. If you are a Multiple Unit Developer, we will assist you with the selection and designation of your Multiple Unit Territory. ~~Site approval is not a guarantee of performance.~~ (See Section I.A and **Attachment A** of the Multiple Unit Development Agreement).

2. Operations Manual. We will loan you a copy (electronic or other format) of our confidential operations manual ("**Operations Manual**"), which contains mandatory and suggested specifications, standards, operating procedures and rules, recipes, food preparation instructions, and required product purchases, as prescribed from time to time by us. The Operations Manual is confidential and remains our property. You must use an electronic version of the Operations Manual and must access the document using the Internet or an intranet created and supported by us. You must follow our prescribed security procedures and protocols for accessing and protecting the Operations Manual.

3. Restaurant Specifications. We will provide you with specifications for the Pokeworks Restaurant, including space requirements, build-out requirements, design and decoration requirements, plus specifications concerning signs, decor and equipment. Alternatively, if you wish to prepare the construction plans and specifications yourself, you must submit such construction plans and specifications to us for our approval before construction of the restaurant commences, and you must submit all revised plans and specifications to us for our approval during the course of construction. (See Section 4.1 of the Franchise Agreement).

4. Purchase of Equipment and Furniture. We will assist you in obtaining the furniture and equipment required for your Pokeworks Restaurant from us or a designated supplier (See Section 5.5 of the Franchise Agreement).

5. Training. Before your store is scheduled to open, we will train your Designated Manager and an Operating Partner (See Section 4.3 of the Franchise Agreement).

Except as stated above, we do not provide assistance to you with lease of the site, conforming the premises to local ordinances and building codes, obtaining any required permits, constructing, remodeling or decorating the premises, hiring and training employees, or providing for signs, fixtures,

(a) Computer Systems and Required Software. We have the right to specify in the Manual or otherwise in writing that you acquire and use in the operation of the Business electronic data collection, storage, reporting, exchange and interchange capability and services, including certain brands, types, makes and models of communications, hardware and software systems, peripherals and equipment, including without limitation: (i) back office accounting, inventory and management systems, (ii) storage, retrieval and transmission systems for data, audio, video and voice files, (iii) point of sale systems or such other types of cash registers as we may designate or approve (“Cash Register Systems”), (iv) physical, electronic, data, and other security systems and procedures, (v) archival back-up systems, (vi) internet access capability and connectivity, and (vii) customer-facing privacy, marketing, ordering, entertainment, audio, video, internet access points and service systems (together, the “Technology”). We have the right, but not the obligation, to develop or have developed for us, or to designate computer software programs, web-based applications and portals, and accounting system software that you must use as part of the Technology (“Required Software”). You shall install, learn, use and integrate all updates, supplements, modifications or enhancements to the Required Software when we so require. We may specify in the Operations Manual or otherwise the tangible or cloud-based media upon which you shall record data, the database file structure of the Technology and the requirements to ensure your compliance with legal, information privacy or security, and payment card industry security standards. You shall implement and periodically make upgrades and other changes to the Technology as we request in writing (together, “Technology Upgrades”) for all restaurants operated under the System. We may be the sole supplier of proprietary Technology or Technology Upgrades that we develop or acquire for use at Franchised Restaurants. We presently charge \$300 per month for the Technology that we supply to use for use in the Business. ~~We may increase such monthly charge from time to time based on an allocable portion of the increases in~~ (the “Technology Fee”). Annually, we may adjust the Technology Fee to an amount not to exceed an amount equal to the quotient of (1) 100% multiplied by the actual costs and expenses that we expect to incur over the next 12 months to supply the Technology and any Technology Upgrades. (as such terms are defined in the Franchise Agreement) that we provide to you, other franchisees and our and our affiliate-owned retail food service business operated under the Marks, divided by (2) the number of open and operating franchised and owned and affiliate owned retail food service business operated under the Marks at the time we implement the adjustment.

(b) Data. We may specify in the Manual or otherwise in writing the information, including personal information as defined under applicable law, that you shall or shall not collect and maintain on the Technology. You will maintain your Cash Register and management systems on-line so that we may access them remotely at our discretion, copy stored data, update software, and view all records, files and reports available on or from those systems. You shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data you provide to us, transfer to us from your Technology or download from us to your Technology will be created, received, or maintained on our behalf and owned exclusively by us or the data source we identify. We will have the right to use such data in any manner that we deem appropriate without compensation to you. All other data you capture, create or collect in

**SCHEDULE C  
ACKNOWLEDGMENT**

California franchisees should not complete this document. If any California franchisee completes this document, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such document.

**FROM:** \_\_\_\_\_ (“Franchisee”)

**AND FROM:** \_\_\_\_\_ (“Guarantor”)

**TO:** **BEYOND FRANCHISE GROUP, LLC**

**RE:** **Pokéworks Franchise Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (“Franchise Agreement”)**

In consideration of the Franchisor executing the Franchise Agreement and granting the Franchisee a franchise pursuant to the Franchise Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Franchisee and the Guarantor acknowledge and agree as follows:

1. Each of the Franchisee and the Guarantor acknowledge that:
  - (a) They have received, have had ample time to read, and have read the Franchise Agreement, including all Schedules attached thereto;
  - (b) The Franchisee and the Guarantor have had an opportunity to be advised by advisors of their own choosing regarding all pertinent aspects of the franchise granted by the Franchisor and the business venture contemplated by the Franchise Agreement;
  - (c) The Franchisor may receive a rebate, fee or commission in connection with the goods, services or facilities purchased, leased, or obtained by the Franchisee from designated suppliers and that the benefit of such rebates or commissions may not necessarily be passed onto the Franchisee and that the Franchisor is entitled to keep such rebates or commissions for its own use and benefit;
  - (d) The success of the business venture contemplated to be undertaken by the Franchisee pursuant to the Franchise Agreement is speculative and depends, to a large extent, on the ability of the Franchisee as an independent corporation or business person, the acceptance of the business in the community and other factors;
  - (e) The Franchisor, its officers, directors, agents, employees or contractors do not make any representation or warranty as to the potential success of the business venture herein contemplated, nor did any one of them induce the Franchisee or the Guarantor to enter into the Franchise Agreement in reliance upon any such representation or warranty;

**SCHEDULE J  
STATEMENT OF FRANCHISEE**

**Do not sign this Statement of Franchisee if you are a resident of Maryland or the business is to be operated in Maryland.**

**California franchisees should not complete this document. If any California franchisee completes this document, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such document.**

[Note: Dates and Answers Must be Completed in the Prospective Franchisee's Own Handwriting]

In order to make sure that no misunderstanding exists between you, the Franchisee, and us, Beyond Franchise Group, LLC (also called "Pokéworks," the "Franchisor" or "we"), and to make sure that no violations of law might have occurred, and understanding that we are relying on the statements you make in this document, you assure us as follows:

A. The following dates are true and correct:

- | Date           | Initials |   |
|----------------|----------|---|
| 1. _____, 20__ | _____    | The date on which I received a Franchise Disclosure Document regarding the Pokéworks franchised business.   |
| 2. _____, 20__ | _____    | The date of my first face-to-face meeting with an officer of Beyond Franchise Group, LLC to discuss a possible purchase of a Pokéworks franchised business. |
| 3. _____, 20__ | _____    | The date on which I received a completed copy (other than signatures) of the Franchise Agreement which I later signed.                                      |
| 4. _____, 20__ | _____    | The date on which I signed the Franchise Agreement.   |
| 5. _____, 20__ | _____    | The earliest date on which I delivered cash, check or other consideration to an officer of Beyond Franchise Group, LLC.                                     |

B. Representations.

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side agreements," options, right-of-first-refusal or otherwise have been made to

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

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

11. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

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

13. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

14. Disclosures Relative to AB 1228.

• Item 1 is amended to add the following: Your Pokeworks Restaurant will be subject to California Assembly Bill 1228 (AB 1228), which imposes industry-specific labor standards and wage requirements on fast food restaurant businesses operating within the state of California.

• Item 5 is amended to add the following: We do not charge an additional initial fee to provide additional training and safety and security measures specific to AB 1228's requirements and standards, if any.

• Item 6 is amended to add the following: We do not charge an additional fee to provide additional training specific to AB 1228's requirements and standards, if any.

• Item 7 is amended to add the following: The additional costs, if any, we estimate for you to comply with AB 1228's specific requirements and standards, if any, have been included in the estimates disclosed in Item 7.

• Item 11 is amended to add the following: To the extent that we address a type of requirement or standard imposed by AB 1228, such measures are addressed in our assistance and training program.

## **FOR THE STATE OF FLORIDA**

### **Total Investment**

We do not know the amount of the total required investment in a Franchised Store over the term of the franchise. We do not request, obtain or receive this information from franchisees. We refer you to Item 7 for the known initial investment. Additional capital investments in the Franchised Store will be necessary over the term of the franchise to maintain the Franchised Store according to the System.

## **FOR THE STATE OF HAWAII**

1. THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

3. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

4. THE AUDITED FINANCIAL STATEMENT OF THE FRANCHISOR INDICATE A DEFICIT OF \$2,923,235. AS A RESULT, THE STATE OF HAWAII HAS IMPOSED A DEFERRAL OF THE PAYMENT OF ALL INITIAL FEES AND DEPOSITS OWED TO FRANCHISOR OR ITS AFFILIATES BY FRANCHISEE UNTIL ALL INITIAL OBLIGATIONS OWED TO FRANCHISEE UNDER THE FRANCHISE AGREEMENT HAVE BEEN FULFILLED BY FRANCHISOR AND FRANCHISEE HAS COMMENCED DOING BUSINESS.

## ADDENDUM TO THE POKÉWORKS FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

This “Addendum” is made and entered into by and between Beyond Franchise Group, LLC, a Delaware limited liability company (“we”, “our” or “us”), as franchisor and \_\_\_\_\_, a \_\_\_\_\_ (“you”), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 to 20043, provides you with certain rights on termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

~~2. California Corporations Code, Section 31125 requires us to give you a disclosure document approved by the Department of Financial Protection and Innovation prior to solicitation of a proposed material modification of an existing franchise.~~

2. Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.

3. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

5. ~~3.~~ Our right to terminate pursuant to Section 9.4(b) of the Franchise Agreement if Franchisee commences bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).

6. ~~4.~~ Sections 5.3, 8.1, 9.6, and 15.5 of the Franchise Agreement contain liquidated damages clauses. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

7. ~~5.~~ California law may not enforce the choice of Delaware law provision in Section 16.2 of the Franchise Agreement.

8. ~~6.~~ California Business and Professions Code Sections 20000 through 20043 (“CFRA”) provide rights to the franchisee concerning termination and non-renewal of the franchise. If the Franchise Agreement is inconsistent with this law, the law will control.

9. ~~7.~~ Notwithstanding any other provision of the Franchise Agreement to the contrary, we may terminate the Franchise Agreement without the right to cure as provided in Section 20021 of CFRA.

10. ~~8.~~ We reserve the right to notify you at the time we terminate the Franchise Agreement that we will not enforce the post-termination covenant in Section 15.1 and will then have no obligation to purchase any inventory from you under Section 20022 of CFRA.

11. ~~9.~~ Notwithstanding any other provision of the Franchise Agreement to the contrary, we shall exercise the right to terminate the Franchise Agreement in accordance with CFRA Section 20020.

12. ~~10.~~ You acknowledge your obligation to provide us with notice of transfer, sale or assignment under CFRA Section 20029.

13. ~~11.~~ The Franchise Agreement requires you to execute a general release in certain circumstances. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043)

14. ~~12.~~ All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of California.

15. ~~13.~~ You acknowledge that the Franchise Agreement and all related agreements between you and us are not consumer contracts and are not within the scope of California Civil Code Section 1632. You confirm and agree that all contract negotiations and discussions between us and you have been conducted in the English language and no other language.

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