

## 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 requires you to resolve disputes with the franchisor by arbitration or litigation only in the State of Texas. 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 the State of Texas than in your home 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 to you.
3. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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.

the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

Under the Franchise Agreement, we reserve the right to require that franchisees comply with maximum and minimum prices it sets for goods and services. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the California’s Cartwright Act (Cal. Bus. and Prof. Code §§ 16700 to 16770).

6. Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division.

## ILLINOIS

~~1. The following Risk Factor is added to the Special Risk Factors Page:  
**Financial Condition.** The Franchisor’s financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor’s financial ability to provide services and support to you.~~

~~2. The following language is added to the end of Items 5 & 7:  
Payment of initial franchise fees will be deferred until we have met our initial obligations to you, and you have commenced operating your Shop. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to our financial condition.~~

1. ~~3. The following language is added to the end of Item 17:~~

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

## MARYLAND

1. The following language is added to the end of Items 5 & 7:

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.

2. ~~1-~~The following is added to the end of the “Summary” section of Item 17(m) titled “Conditions for franchisor approval of transfer”:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. ~~2-~~The following is added to the end of the “Summary” section of Item 17(h), titled “‘Cause’ defined – non-curable defaults”:

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

4. ~~3-~~The following is added to the end of the “Summary” section of Item 17(v), titled “Choice of forum”:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

## MINNESOTA

1. “Renewal, Termination, Transfer and Dispute Resolution”. The following is added at the end of the chart in Item 17:

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

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring the Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee’s rights to any procedure, forum or

remedies provided for by the laws of the jurisdiction.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

2. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

3. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

4. No statement, questionnaire, or acknowledgement 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 with the franchise.

## **NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NEW YORK 10005.**

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

2. The following is added at the end of Item 3:

1. Risk Factor: Use of Franchise Brokers.

The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

~~2. Risk Factor: Financial Condition.~~

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

2. ~~3.~~ The following language is added to the end of Items 5 & 7:

In lieu of an impound of franchise fees, ~~we~~the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee (a) ~~you have~~has received all pre-opening and initial training obligations that ~~are~~it is entitled to ~~you~~ under the franchise agreement or offering circular, and (b) ~~your Shop~~is open for business.

3. ~~4.~~ The following paragraphs are added at the end of Item 17:

The Securities Division of the State of Washington Department of Financial Institutions requires the following language:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as

**RIDER TO THE POKE CO HOLDINGS LLC  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** (this “Rider”) is made and entered into by and between **POKE CO HOLDINGS LLC**, a Connecticut limited liability company with its principal business address at 1169 N. Burlison Boulevard, Suite 107-226, Burlison, Texas 76026 (“we”) and \_\_\_\_\_  
\_\_\_\_\_, a(n) \_\_\_\_\_  
\_\_\_\_\_, having its principal business address at \_\_\_\_\_  
\_\_\_\_\_ (“you”).

**1. BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”) that has been executed concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of Illinois, or (b) the offer of the franchise was made or accepted in the State of Illinois and the Pokemoto Shop that you develop under the Franchise Agreement is or will be operated in the State of Illinois.

~~**2. FEE DEFERRAL.** The following is added to the end of Section 4.1 of the Franchise Agreement:~~

~~Payment of initial franchise fees will be deferred until we have met our initial obligations to you, and you have commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to our financial condition.~~

**2. 3. ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added as Section 23 of the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

*[SIGNATURE PAGE TO FOLLOW]*

**RIDER TO THE POKE CO HOLDINGS LLC  
FRANCHISE AGREEMENT  
FOR USE IN MARYLAND**

**THIS RIDER** (this “Rider”) is made and entered into by and between **POKE CO HOLDINGS LLC**, a Connecticut limited liability company with its principal business address at 1169 N. Burluson Boulevard, Suite 107-226, Burluson, Texas 76026 (“we”) and \_\_\_\_\_  
\_\_\_\_\_, a(n) \_\_\_\_\_  
\_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

**1. BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland; or (b) the Pokemoto Shop that you will develop or operate under the Franchise Agreement is or will be operated in the State of Maryland; or (c) the offer to sell the franchise was made in the State of Maryland; or (d) the offer to buy the franchise was accepted in the State of Maryland.

**2. INITIAL FRANCHISE FEE.** The following is added to the end of Section 4.1 of the Franchise Agreement:

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.

**3. ~~2-~~RELEASES.** The following is added to the end of Sections 3.2.7 and 14.2.2(d) of the Franchise Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

**4. ~~3-~~TERMINATION OF AGREEMENT BY US.** The following is added to the end of Section 17.1.2 of the Franchise Agreement:

The provisions in this Agreement which provide for termination upon your bankruptcy might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

**5. ~~4-~~CONSENT TO JURISDICTION.** Section 19.8 of the Franchise Agreement is supplemented by adding the following to the end of the Section:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. ~~5.~~ **ARBITRATION.** Section 19.7 of the Franchise Agreement is supplemented by adding the following to the end of the Section:

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

7. ~~6.~~ **RELEASES.** The Franchise Agreement is further amended to state that “All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

*[SIGNATURE PAGE TO FOLLOW]*

**RIDER TO THE POKE CO HOLDINGS LLC  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** (this “Rider”) is made and entered into by and between **POKE CO HOLDINGS LLC**, a Connecticut limited liability company with its principal business address at 1169 N. Burluson Boulevard, Suite 107-226, Burluson, Texas 76026 (“we”) and \_\_\_\_\_  
\_\_\_\_\_, a(n) \_\_\_\_\_  
\_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Pokemoto Shop that you will develop under the Franchise Agreement will be operated wholly or partly in the State of Minnesota; (b) you either a resident of, domiciled in, or actually present in the State of Minnesota; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in the State of Minnesota.

2. **RELEASES.** The following is added to the end of Sections 3.2.7 and 14.2.2(d) of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **RENEWAL AND TERMINATION.** The following is added to the end of Sections 3.2 and 17.2 of the Franchise Agreement:

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

4. **MINNESOTA LAW.**

Notwithstanding anything to the contrary contained in the Franchise Agreement, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring you to waive your rights to a jury trial or to waive your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties or judgment notes. We will protect your rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

5. **ACKNOWLEDGEMENT.** No statement, questionnaire, or acknowledgement 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 with the franchise.

*[SIGNATURE PAGE TO FOLLOW]*

**~~RIDER WASHINGTON ADDENDUM TO THE POKE CO HOLDINGS LLC~~  
FRANCHISE AGREEMENT, ~~REPRESENTATION STATEMENT,~~ AND  
RELATED AGREEMENTS**

**FOR USE IN WASHINGTON**

**THIS RIDER** (this “Rider”) is made and entered into by and between **POKE CO HOLDINGS LLC**, a Connecticut limited liability company with its principal business address at 1169 N. Burlison Boulevard, Suite 107-226, Burlison, Texas 76026 (“we”) and \_\_\_\_\_

\_\_\_\_\_, a(n) \_\_\_\_\_  
\_\_\_\_\_, having its principal business address at \_\_\_\_\_ (“you”).

**1. BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in the State of Washington; or (b) you are a resident of the State of Washington; or (c) the Pokemoto Shop that you will develop or operate under your Franchise Agreement is or will be located or operated, wholly or partly, in the State of Washington.

**2. FEE DEFERRAL.** The following is added to the end of Section 4.1 of the Franchise Agreement:

In lieu of an impound of franchise fees, ~~we~~ the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee (a) ~~you have~~ has received all pre-opening and initial training obligations that ~~are it is~~ entitled to ~~you~~ under the franchise agreement or offering circular, and (b) ~~your Shop~~ is open for business.

**3. SITE SELECTION.** The following language is removed from Section 2.2.1 of the Franchise Agreement:

“or that your Shop operated at the Approved Location will be profitable or otherwise successful”.

**4. NO WARRANTY OR GUARANTY.** The following language is removed from Section 19.5 of the Franchise Agreement: “upon which you may rely”.

**5. WASHINGTON LAW.** The following paragraphs are added to the end of the Franchise Agreement

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your