HOW YOU CAN RECEIVE OUR FRANCHISE DISCLOSURE DOCUMENT

Our Franchise Disclosure Document is available in the formats listed below. We will choose the format in which we deliver the Franchise Disclosure Document to you from one of these alternatives.

Hard copy by personal delivery

Hard copy by overnight delivery

Electronic copy as a PDF by electronic mail. To receive and open the PDF, you must have a computer with an internet connection, an email address, Adobe Acrobat®, and a capacity of no less than 3 MB.

FRANCHISE DISCLOSURE DOCUMENT

BEYOND FOOD MART ®

Beyond Franchising Inc.,
a California corporation
4300 Edison Avenue
Chino, California 91710
(909) 465-4101
www.beyondfoodmart.com

We offer Beyond Food Mart® franchises for the development and operation of convenience stores at specified locations, usually a motor fuel and power retailing facility or similar location. Each Beyond Food Mart® sells a variety of groceries and packaged food, hot and cold prepared food, snacks, candy, and other packaged goods, pastries, ice cream and frozen desserts, hot and cold beverages and soft drinks, toiletries, magazines and newspapers, hats, novelty items, sundries, and other products and services we designate or approve, including some private label merchandise, as well as beer and wine if they can legally be sold at the Beyond Food Mart® location, some tobacco products the franchisee selects (if tobacco can legally be sold at the Beyond Food Mart® location), and some inventory selected by the franchisee and approved by us, which may include hard liquor if it can legally be sold at the Beyond Food Mart® location and we approve it.

A Beyond Food Mart® uses proprietary business operating methods and trade and service marks owned by us or an affiliated entity that licenses them to us for sublicensing to franchisees.

The total investment necessary to begin operation of a franchised Beyond Food Mart® business is $708,670 to $5,802,670 if you purchase from one of our affiliates real property with a fully built out and equipped Beyond Food Mart® on it; $524,670 to $1,830,670 if you lease from one of our affiliates real property with a fully built out and equipped Beyond Food Mart® on it; $608,670 to $1,802,670 if you own real property and you must raze an existing building on it and/or construct a new building on it that you build out as a Beyond Food Mart®; $808,670 to $5,802,670 if you purchase real property and you must raze an existing building on it and/or construct a new building on it that you build out as a Beyond Food Mart®; $624,670 to $1,830,670 if you ground lease real property and you must raze an existing building on it and/or construct a new building on it that you build out as a Beyond Food Mart®; $308,670 to $952,670 if you own the real property and there is an existing convenience store on it that you convert to a Beyond Food Mart® by renovating, remodeling, and rebranding it; $508,670 to $4,952,670 if you purchase the real property and there is an existing convenience store on it that you convert to a Beyond Food Mart® by renovating, remodeling, and rebranding it; $324,670 to $980,670 if you lease the real property and there is an existing convenience store on it that you convert to a Beyond Food Mart® by renovating, remodeling, and rebranding it; $508,670 to $4,952,670 if you purchase real property with an existing building that has a finished interior that you build out to create a Beyond Food Mart®; $324,670 to $980,670 if you lease real property with an existing building that has a finished interior that you build out to create a Beyond Food Mart®. Each of these alternatives includes $308,670 to $4,952,670 that must be paid to the franchisor or its affiliate(s).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **NOTE, HOWEVER, THAT NO GOVERNMENTAL AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance date: April 19, 2018, as amended August 30, 2018.

STATE COVER PAGE

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

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

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

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

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN CALIFORNIA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.

THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

WE USE THE SERVICES OF ONE OR MORE FRANCHISE BROKERS OR REFERRAL SOURCES TO ASSIST US IN SELLING OUR FRANCHISE. A FRANCHISE BROKER OR REFERRAL SOURCE REPRESENTS US, NOT YOU. WE PAY THIS PERSON A FEE FOR SELLING OUR FRANCHISE OR REFERRING YOU TO US. YOU SHOULD BE SURE TO DO YOUR OWN INVESTIGATION OF THE FRANCHISE.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

This Franchise Disclosure Document is registered in California with an effective date of____________, 2018.

BEYOND FOOD MART®
FRANCHISE DISCLOSURE DOCUMENT

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EXHIBITS

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

The franchisor is Beyond Franchising Inc., to which we refer as "we", "us", or "our". "You" means the franchise purchaser; if the franchise purchaser is a corporation, partnership, limited liability company, or other entity, "you" includes every owner of the entity.

The Franchisor, Its Predecessors, and Affiliates

We are a California corporation organized July 8, 2016. We have no predecessors. Our principal business address is 4300 Edison Avenue, Chino, California 91710 ("Beyond Office"). We do business under the name Beyond Food Mart®.

Our shareholders also own two related entities. One is Beyond International, LLC, a California limited liability company (the "LLC") that owns the Beyond Food Mart® trade name (the "Name") and trademarks and the trade dress and other intellectual property used by Beyond Food Mart® businesses (collectively, the "IP") and licenses them to us with permission to sublicense to franchisees. We obtained the rights to use the Name, Marks (as defined below), and IP that we grant you through a license from the LLC.

The second related entity is Beyond Food Mart, Inc., a California corporation (the "Corporation") to which the LLC has licensed the Name, Marks, and IP and given the right to develop Beyond Food Mart® locations. The Corporation may operate some of those locations or may sell or lease the real property to persons or entities who enter into Beyond Food Mart® franchise agreements with us. The locations the Corporation operates will use the same trade name, trademarks, trade dress, and business operating method we license to you and sell substantially the same merchandise you will sell but will not be bound by a Franchise Agreement so long as the Corporation operates them itself. The Corporation currently operates one Beyond Food Mart® location but has contracted to sell that location to a buyer that has entered into a Franchise Agreement with us. The Corporation is currently developing and expects to open and sell, lease, or operate Beyond Food Mart® locations in the future.

In 2015 the LLC sold two franchised Beyond Food Marts® in California in transactions that were exempt from the registration requirements of the California Franchise Investment Law (the "FIL") and the disclosure requirements of the FTC Rule. The franchisee of one of those locations subsequently transferred ownership of the franchise to another entity he owns. That entity (the "Franchisee") agreed to sell the real property where the franchised Beyond Food Mart® was located and the Beyond Food Mart® franchise as well as a petroleum dealership operated by its affiliate at the same site to a new owner (the "Buyer"). After the real property portion of the sale was completed but before the sale of the Beyond Food Mart® franchise or the petroleum dealership was completed, a dispute arose between the Franchisee and the Buyer as a result of which the Buyer as landlord seized possession of the Beyond Food Mart® operated by the Franchisee, removed some but not all the Beyond Food Mart® Marks and trade dress, and continued to operate the location as a convenience store without being subject to a Franchise Agreement or paying any monies to us and while retaining some of the Beyond Food Mart® trade identity. After suing one another, the Franchisee and the Buyer entered into a settlement agreement under which the Franchisee retook possession of the Beyond Food Mart® and operated under the Franchise Agreement between it and us until October 2017 when, as required by the settlement agreement, it sold the Beyond Food Mart® assets to an affiliate of the Buyer, that entered into a new Franchise Agreement with us. The Buyer's affiliate defaulted under that Franchise Agreement and in March 2018 we sued to terminate the Franchise

Agreement with the Buyer. That lawsuit was settled and the location is no longer operated as a Beyond Food Mart®.

The LLC has assigned the Franchise Agreement for the other location to us and it is part of our system of Beyond Food Marts.

In December 2016 and June 2017 the LLC sold two more Beyond Food Mart® locations to affiliates of the Franchisee. Although the LLC intended those to be sales exempt under the FIL, the exemptions were not perfected because the LLC failed to file the Notice of Exempt Offering required by the FIL. Moreover, one of those sales was made after the LLC had granted us the exclusive right to offer and sell Beyond Food Mart® franchises. To remedy the technical violation of the FIL, in July 2018 the LLC delivered Notices of Possible Violation of the FIL to the franchisees of those locations. The franchisees have until October 2018 to rescind the purchases. However, one of those locations is being sold to an affiliate of ours. In the meantime, the LLC has retroactively assigned the Franchise Agreements for those two locations to us.

We began our business in January 2017. In February 2017 we assumed the LLC's obligations under the two Beyond Food Mart® Franchise Agreements it entered into in exempt transactions in 2015. As described above, the LLC has also retroactively assigned to us the Beyond Food Mart® Franchise Agreements it entered into in January and June 2017. We do not presently operate any company-owned Beyond Food Mart® locations and do not expect to open or operate any company-owned Beyond Food Mart® locations, but we expect the Corporation will continue to develop Beyond Food Mart® locations that it will operate permanently or until it sells the assets to an operator that enters into a Franchise Agreement with us.

We began offering Beyond Food Mart® franchises on June 7, 2017. We have not offered franchises in other lines of business nor do we presently engage in any other businesses. The LLC sold two exempt franchises in 2015 and sold two more franchises in 2016 and 2017, as described above, but will no longer offer franchises.

Our agent for service of process is Mark Sater, 4300 Edison Avenue, Chino, California 91710.

Beyond Food Mart® Franchises

We offer franchises for the development and operation of a Beyond Food Mart® convenience store (individually a "Beyond Food Mart®" and collectively "Beyond Food Marts") at a specified location, usually a motor fuel and power retailing facility or similar location. Each Beyond Food Mart® sells a variety of groceries and packaged food, hot and cold prepared food, snacks, candy, and other packaged goods, pastries, ice cream and frozen desserts, hot and cold beverages and soft drinks, toiletries, magazines and newspapers, hats, novelty items, sundries, and other products and services we designate or approve (including some private label merchandise), as well as beer and wine (if they can legally be sold at the location), some tobacco products you select (if tobacco can legally be sold at the location), and some inventory you select subject to our approval, which may include hard liquor if it can legally be sold at the location and we approve.

A Beyond Food Mart® typically occupies between 1,600 and 7,000 square feet of retail space with most stores having about 2,500 square feet of space, usually in a motor fuel and power retailing facility but sometimes in a storefront, office building, or mini-mall location. Most Beyond Food Marts will not have any sit down eating or other space but some may.

Beyond Food Marts use the Name and the trade and service marks Beyond Food Mart® (both with and without the word Beyond with the letter "y" in the shape of a root vegetable), Fountain Falls®, Glacial Aisle®, and Frosty Peak® and other marks, commercial symbols, logos, and trade identifiers we may designate at any time (all of which together we call the "Marks"), as well as our unique methods and techniques for the design, development, stocking, and operation of convenience stores, including proprietary layout, décor, and trade dress, our unique product mix and variety, our business management methods and procedures developed through years of convenience store operating experience, our unique approach to customer service, and our proprietary training and quality maintenance procedures and standards, as well as other Beyond Food Mart® business operating, management, accounting, and administration techniques and methods, all of which together we call the "Beyond Food Mart® Method".

The success of your relationship with us and the success of the Beyond Food Mart® franchise system (the "System") depend on your strict adherence to our specific practices, procedures, methods, and standards of quality and performance that you are required to follow meticulously in all aspects of the development, maintenance, and operation of your Beyond Food Mart®. We can change our requirements as we deem necessary and those changes may make it necessary for you to spend additional money on your franchised business.

Like every business, investing in and operating a Beyond Food Mart® franchise involves many significant economic risks that cannot be eliminated. Significant investment beyond what is described in this Franchise Disclosure Document may be required for you to succeed. Your revenue, profit, income, and success are dependent on many factors, including your personal financial, management, and other business skills, resources, acumen, and judgment, your willingness to work hard and invest in the success of your business, and your adherence to the Beyond Food Mart® Method. We cannot and do not guarantee your success.

The Market and Competition

Although sales volume may rise during periods of high vehicle travel, the goods you will sell and services you will offer at your Beyond Food Mart® are not seasonal and appeal to people of all ages, backgrounds, and tastes throughout the day. Demand for some things you will sell, like hot or cold beverages and ice cream, may fluctuate with the weather but those fluctuations may not be noticeable.

There are many brands of convenience store, some that are part of regional, national, or even international chains, some connected to large petroleum companies, and others independently owned and operated. Many of those chains are well-established with national or regional reputations. You will compete with all the many brands and types of convenience stores. Many retail outlets and online merchants sell many of the items you will sell in your Beyond Food Mart®. You will also carry designated branded hot food items and beverages that are sold by freestanding specialty stores. So you will have many direct and indirect competitors in the well-developed and highly competitive general marketplace as well as in the convenience store industry. You will also compete with Beyond Food Mart® locations owned by the Corporation and other franchisees.

Industry Laws

In addition to the usual licensing and other laws and requirements applicable to businesses generally, you must comply with the many federal, state, county, and municipal laws and regulations affecting businesses that sell food products. Some localities (Los Angeles County, California, for example) may require that at least one certified food handler be present during all operating hours. We require you to sell beer and wine for off-premises consumption if a license is available for your franchise location. You may choose to sell hard liquor for off-premises consumption if a license is available for your franchise location. If we require you to sell beer and wine or you choose to sell hard liquor, you must obtain a license for off-premises sale of beer and wine and/or hard liquor, as the case may be. Having a license to sell beer and wine and/or hard liquor will require you to comply with the stringent laws that control sales of alcoholic beverages. You must also obtain a license to sell tobacco products and comply with the stringent laws that control sales of tobacco products. You may choose to sell lottery tickets, but if you do you must also obtain any required permit and fulfill any special requirements for those sales. You should investigate and become thoroughly familiar with all the licensing, permitting, sales, and other legal requirements in your area that apply to the various goods and products you will sell and services you will offer, consulting with your own attorney as necessary, before you sign any contract or make any investment with us. You are personally responsible for complying with all laws applicable to the Beyond Food Mart® business and must obtain and maintain all permits and licenses required by governmental entities or agencies in your particular area.

ITEM 2. BUSINESS EXPERIENCE

Mark Sater—President, Chief Financial Officer, and Board Chair and Member

Mr. Sater has been our President and Chief Financial Officer and the Chair and a member of our Board of Directors since our formation in July 2016. From June 2005 through the present Mr. Sater has been the Manager of Saterbros, LLC, which owns and operates various businesses, including *ampm* Mini-Marts, various branded service stations, and other retail businesses, some of which operate through subsidiaries or affiliates of Saterbros, LLC. Mr. Sater is also one of the two owners of Cedar Oil International, Inc., a petroleum distribution company, and Cedar Landmark, Inc., a company that owns and operates service stations under various brands. If you operate at a petroleum motor fuel retailing location and do not have an existing dealership agreement with another petroleum retailer or have a dealership agreement that expires during the term of your Franchise Agreement with us, you must enter into an agreement to purchase your petroleum motor fuel from a source we designate, which is presently Cedar Oil International, Inc. Mr. Sater is also one of the owners of Landmark Foodmaster, Inc., which holds area development rights in various geographical areas in Southern California for Fatburger®, the brand of premade hamburgers and wrappers you are presently required to purchase. Mr. Sater is based at the Beyond Office.

Naser Abdallat, aka Nick Fahed—Vice President, Secretary, and Board Member

Mr. Fahed has been our Vice President and Secretary and a member of our Board of Directors since our formation in July 2016. From February 2010 to the present Mr. Fahed has been a real estate sales agent with Jousting Real Estate, Inc., in which he is a shareholder, concentrating on petroleum motor fuel retailing facility sales. From 2006 to the present Mr. Fahed has also been Vice President of Southland Petroleum, Inc., which owns and operates gas stations. Mr.

Fahed also owns Arcadia Oil, Inc., a 7-11 franchisee. For the past five years or more Mr. Fahed has also owned a number of other entities that operate a variety of businesses, principally in the real estate and petroleum industries. Mr. Fahed, with Mr. Sater, is one of the two owners of Cedar Oil International, Inc., a petroleum motor fuel distribution company, and Cedar Landmark, Inc., a company that owns and operates service stations under various brands. If you operate at a petroleum motor fuel retailing location and do not have an existing dealership agreement with another petroleum retailer or have a dealership agreement that expires during the term of your Franchise Agreement with us, you must enter into an agreement to purchase your petroleum motor fuel from a source we designate, which is presently Cedar Oil International, Inc. and may in the future be another affiliate of ours. Mr. Fahed, with Mr. Sater, is also one of the owners of Landmark Foodmaster, Inc., which holds area development rights in various geographical areas in Southern California for Fatburger®, the brand of premade hamburgers and wrappers you are presently required to purchase. Mr. Fahed works for us out of the Beyond Office.

Ash Sater—Vice President, Chief Technology Officer, Board Member

Ash Sater became one of our Vice Presidents, our Chief Technology Officer, and a Board Member in January 2017. He has been employed by Saterbros, LLC, a family company that operates convenience store franchises, as Director of Operations and technical officer since 2010. Mr. Sater has also been the owner and operator of eddi, Inc., a technology venture, since December 2012. Mr. Sater is based in the Beyond Office.

ITEM 3. LITIGATION

On March 9, 2018 we filed suit in Beyond Franchising Inc. v. Riverwalk Petroleum Inc., *et al.*, Riverside Superior Court Case RIC1804689, a lawsuit against the franchisee that purchased a franchise from the first Beyond Food Mart® franchisee and the guarantors of the franchisee's performance. The suit sought enforcement of system standards, collection of past due royalties and related charges, collection of sums due pursuant to a loan for the furniture, fixtures, and equipment in the franchise location, and enforcement of personal guaranties from the owners of the franchisee. The factual background leading to this lawsuit is described in Item 1. In July 2018 the lawsuit was settled and the location is no longer a Beyond Food Mart®.

ITEM 4. BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5. INITIAL FEES

Initial Franchise Fee. All franchisees pay us a $30,000 initial franchise fee in a lump sum. You will pay the initial franchise fee within 15 days after delivery of notice of the due date of the initial franchise fee delivered no sooner than the first month in which the Franchise Location has Gross Revenue (as defined in the Franchise Agreement) of no less than $45,000 and no later than 24 months after the Franchise Location opens for business (the "Term Commencement Date") or the date upon which the Franchise Agreement is terminated for cause. The initial franchise fee is fully earned when paid and is not refundable.

Franchise Location Furniture, Fixtures, and Equipment

Unless you purchase a turnkey location, you must purchase from us or our affiliate all of the furniture, fixtures, and equipment you are required to install in your Franchise Location. These payments will be between $200,000 and $650,000. These payments are not refundable.

ITEM 6. OTHER FEES[1]

Type of Fee	Amount	Date Due	Remarks
Monthly Royalty	7% of Gross Revenue[2] during preceding calendar month but not less than $2,000, subject to reduction as described in Note 3.[3]	5th day of each calendar month, beginning 15 days after we give you notice of royalty commencement but no sooner than the first calendar month in which your Gross Revenue totals $45,000 or more and no later than 24 months after the Term Commencement Date or upon termination for cause.	See Note 3.

[1] All these payments are to us and are not refundable, both except as noted in the Remarks column or Notes.

[2] Gross Revenue includes (a) the gross selling price or barter value of all goods and services sold, delivered, or performed in or from the Franchise Location or using the Name or any of the Marks, or any part of the Beyond Food Mart® Method, whether payment is by cash, check, credit, credit card, debit card, PayPal or similar account, charge account, barter, or exchange, including (without limitation and whether or not authorized or permitted under this Franchise Agreement) the gross amount received for orders taken, originated, accepted, or received elsewhere but filled at or from the Franchise Location; orders taken, originated, accepted, or received at the Franchise Location but filled, delivered, or performed elsewhere; (b) less permitted refunds made to *bona fide* customers in good faith; amounts actually paid for sales or excise taxes that were added to the selling price of goods and collected from customers; redemption of gift cards; complimentary items provided to your paid employees, which shall not exceed the maximum amount permitted in the latest version of the Beyond Manual as defined in Item 8; and sales of assets of the Beyond Food Mart® business other than inventory sold in the ordinary course of business.

[3] So long as you otherwise fully comply the Franchise Agreement, we will defer royalty payments until 15 days after we deliver notice of royalty commencement but no sooner than the first month in which the Franchise Location has Gross Revenue of no less than $45,000 and no later than 24 months after the Term Commencement Date or the date upon which the Franchise Agreement is terminated for cause. Once you begin paying royalties, for each calendar month during which you (a) participate in all marketing and advertising campaigns we conduct during the calendar month as required by the Franchise Agreement and (b) receive the highest available grade on every health department inspection or evaluation of your Beyond Food Mart® conducted during the calendar month (collectively, the "Performance Requirements"), so long as you fully and timely perform all of your obligations under the

Type of Fee	Amount	Date Due	Remarks
Payments on loan for cost of acquiring and installing Franchise Location FFE as defined in Note 4 (except point of sale system, back office computer hardware, and signage)[4]	Variable based on cost of FFE for your Franchise Location, which depends partly on size and condition of the Franchise Location. Loan payment estimates are set forth in Note 4.	Annually on anniversary date of Note, subject to forgiveness as described in Note 4.	Payable only if we finance the build out of your Franchise Location. See Note 4.

Franchise Agreement, any promissory note, and all other agreements between you and us or any of our affiliates during the calendar quarter that includes those months (the "Measuring Quarter") and through the date the rebate described in this sentence is to be paid, on the 15th day of the calendar month after the end of the Measuring Quarter we will rebate to you 1.5% of your Gross Revenue during each month of the Measuring Quarter in which you have fulfilled the Performance Requirements by crediting that amount against royalties to become due in the calendar month following the end of the Measuring Quarter.

[4] Franchise Locations typically fall into one of four categories: real property with a new Beyond Food Mart® developed by the Corporation or another entity in which one or more of our shareholders may have an interest that is sold or leased to a franchisee who enters into a Franchise Agreement with us (a "turnkey location" or "turnkey locations"); real property with an existing convenience store that is unbranded or the branding agreement for which is expiring or expired (a "retrofit location"); real property that requires construction of a new building, with or without razing an existing building ("new construction location"); or real property with an existing building that has a finished interior ready for installation of improvements ("vanilla shell location"). If a turnkey location is available and you choose to purchase or lease it, you will agree with the seller (who may be one of our affiliates) on a purchase price for the Beyond Food Mart® store and a purchase or lease of the real property but in either case we will finance up to $650,000 of the portion of the purchase price attributable to the purchase and installation of the furnishings, fixtures, and equipment (collectively, the "FFE") except the front counter point of sale equipment, the back office computer system, and the signage (the "Financeable FFE") as described in this footnote and Item 10. (The back office computer system and the signage are not included in the Financeable FFE because we purchase and have them installed in your Franchise Location but we continue to own them.) If no turnkey location is available or you do not choose to acquire a turnkey location, after you have selected a Franchise Location that fits our requirements, we will give you an estimate (the "Estimate") of the cost of (a) constructing, building out, improving, renovating, remodeling, and/or rebranding the Franchise Location; installing the FFE and other improvements required by the plans and specifications we have approved; and decorating that Franchise Location to our specifications and (b) acquiring the FFE, and small wares we require you to have in the Franchise Location (collectively, the "Build Out"). We will also tell you what portion of the Build Out cost is attributable to acquisition and installation of the Financeable FFE and offer to loan you the cost of acquiring and installing the Financeable FFE, up to a maximum of $650,000, on the terms described in Item 10 (the "Beyond Loan Amount"). You may then decide to proceed with the development of that Franchise Location, resume your search for a Franchise Location we will approve, or terminate the Franchise Agreement. If you decide to proceed with the development of that Franchise Location by borrowing the Beyond Loan Amount from us and you can provide real property security we may require you to give us a Secured Revolving Promissory Note, personal guaranties from each of your owners, a Loan and Security Agreement pledging all the assets, present and future, of your Beyond Food Mart® business, a Deed of Trust with Assignment of Rents and Fixture Filing for the Franchise Location property

Type of Fee	Amount	Date Due	Remarks
Food and merchandise, unbranded food packaging, unbranded paper goods, and supplies[5]	Variable based on purchases but presently zero because we do not presently require you to buy any food, merchandise, food packaging or paper goods or supplies from us but we have the right to do so in the future.	When ordered.	
Marketing materials	Variable based on purchases. Presently zero because we do not require you to purchase any marketing materials from us or an affiliate.	When ordered.	Presently we do not require you to purchase any marketing materials from us. But we may require you to display or use certain marketing materials. If we do, we may require you to purchase some or all of those from a designated vendor who may be us or our affiliate. See Item 8.

or other real property you or an affiliate of yours owns that meets our financing requirements unless we choose to forego real property security, a Conditional Assignment of Leasehold Interests and Landlord's Consent and Waiver if you lease the Franchise Location, a Lender's Consent, Fixture Waiver, and Nondisturbance Agreement from any lender that has a senior interest in any secured property or the Franchise Location, and personal guaranties from the owner of any secured real property and all of its owners if you do not own it, all as described in Item 10. Typical annual payments on the Secured Revolving Promissory Note to us range from approximately $27,000 to $70,179. See Item 10 for a description of the possibility that the annual principal payments on the Secured Revolving Promissory Note and all accrued interest will be forgiven. If you do not pay the cost of the development of the Franchise Location site that exceeds the Beyond Loan Amount (whether that excess is the cost of work not covered by the Beyond Loan Amount or costs in excess of the Estimate) to the contractor or suppliers within five days after that amount is due, we may terminate the Franchise Agreement.

[5] We have the right to require you to purchase products and ingredients from the sources we designate, who may be us or an affiliate. We do not currently require you to purchase any goods from us or any of our affiliates but we may at any time require you to purchase additional products, ingredients, supplies, materials, or goods.

Type of Fee	Amount	Date Due	Remarks
Branded Paper Goods and merchandise[5]	Variable based on purchases. Presently zero because we do not require you to purchase any branded paper goods or merchandise from us or an affiliate.	When ordered.	You must purchase from a designated vendor, who may be us or our affiliate, various branded paper goods you are required to use in your Beyond Food Mart®. The present vendor is not us or an affiliate of ours but the designated vendor purchases the branded paper goods and merchandise from us at a price greater than we paid for them. We or an affiliate of ours may be the designated distributor in the future. See also Item 8.

Type of Fee	Amount	Date Due	Remarks
Required Additional Training	Presently $250 per day plus the actual cost of travel and lodging for trainer.	Two, 10, or 30 days in advance, depending upon the nature of the training.	We provide pre-opening training for your initial manager (who may be you) and up to two other qualified employees without additional charge. These charges apply if we determine that your trainees require or you want additional initial training, we determine your manager is not qualified to run your Beyond Food Mart® and you are required to have us train a different manager, we determine at any time that one or more of your employees requires additional training, you hire a new manager, or we determine it is necessary to provide additional periodic training. See Item 11.
Required additional initial assistance	$250 per day.	Within 10 days after invoice.	We provide pre-opening assistance without additional charge as part of the initial training. These charges apply if we determine additional pre-opening assistance is necessary or you want additional pre-opening assistance.

Type of Fee	Amount	Date Due	Remarks
Requested Additional Training or Assistance	Amount in the Fee Schedule; currently $250 per day but we can increase at any time in any amount.	Before beginning additional training.	Payable only if you request additional assistance or additional training for your existing or new manager or other employees. Balance remaining after deducting our expenses refunded if you cancel no less than 48 hours before the training begins.
Site Visit Cost Reimbursement	Actual cost of travel.	Upon termination of Franchise Agreement.**	If we visit a site you have proposed for your Beyond Food Mart® and the Franchise Agreement is terminated because you choose not to proceed with the Build Out when you receive the Estimate (as defined in Item 6, Note 4) or do not open a Beyond Food Mart® as required, you must reimburse us for the costs of our site visit, including mileage or air travel and lodging.
Gift Cards	Variable based on purchases	When ordered.	We do not currently use gift cards, but we have the right to begin using them at any time. If we do, you must purchase from a designated vendor, who may be us or our affiliate, as you need them, the gift cards you are required to sell at your Beyond Food Mart®. See Item 8.

Type of Fee	Amount	Date Due	Remarks
Late Charge	10% of amount past due with $50 minimum.	With late payment.	Payable only if you do not pay when due.
Insufficient Funds Fee	Set forth in Fee Schedule. Currently $100.	With late payment.	We will withdraw from your bank account royalties you owe us. If you do not have sufficient funds in your bank account for any withdrawal, you must pay us an insufficient funds fee.
Noncompliance Fee	$150.	Within five business days after receipt of an invoice.	If you do not comply with the requirements of your Franchise Agreement that we regard as quality control measures, you must pay a $150 noncompliance fee.
Nonperformance Assessment	2% of Gross Revenue.	On demand.	Payable for any period when you do not comply with certain operational requirements of the Franchise Agreement.
Audit	Cost of audit, but not less than $50.	Within 15 days after receipt of invoice.	Payable only if we conduct an audit that shows you have understated Gross Revenue by more than 2%. This is in addition to required payment of any additional royalties or other fees an audit shows were underpaid.

Type of Fee	Amount	Date Due	Remarks
Failure to Keep Records, Make Reports, or Provide Database Access	Royalties as determined plus costs of determination, but not less than $50.	On demand.	Payable only if you do not keep and deliver required records, or provide required access to electronic database.
Remedial Actions and Service Fee	Charges we incur plus interest and 5% of cost of corrective action, which is variable, but not less than $50.	On demand.	If you do not take certain actions required by the Franchise Agreement, we can take those actions and charge you for the expenses we incur and a service fee.
Collection and Enforcement Costs	Actual cost, which is variable.	With payment for which incurred.	Payable only if your check is returned or funds collected electronically are not available when due or if we incur costs to collect monies you owe and do not pay or to enforce any of your other obligations.

Type of Fee	Amount	Date Due	Remarks
Transfer Fee	Amount in the Fee Schedule at time of transfer. Currently nonrefundable $1,000 transfer application fee plus $9,000 nonrefundable franchise transfer fee but we may increase it at any time in any amount.	With request for approval of transfer.	Payable if you request approval of the transfer of the Franchise Agreement or the assets of the franchised business, or approval of a change in ownership of the franchisee entity (other than a transfer of ownership interests as permitted by the Franchise Agreement to a family trust or existing owners of the franchisee entity). The fee is not refundable even if we do not approve the requested transfer.
Interim Manager Payments	Currently $250 per day but we may increase at any time in any amount.[6]	See Note 6.	See Note 6.
Attorneys' Fees and Costs	Actual cost, which is variable.	On demand.	Payable only if we use an attorney to collect money from you or otherwise enforce any provision of the Franchise Agreement or any other agreement with you.
Indemnification	Variable.	As incurred.	You must indemnify us for all costs and expenses (including attorneys' fees) we incur in connection with any claim arising out of or related to your Beyond Food Mart® or the franchised business.

Type of Fee	Amount	Date Due	Remarks
Alternate Supplier Review Fee	Fees and costs of testing laboratory and/or other evaluator, our service fees at hourly rate in the Fee Schedule, presently $65, and reimbursement of our expenses for travel, lodging, and meals.	On demand.	Payable only if you ask us to consider approval of alternate suppliers for nonproprietary supplies, products, or services and we review the supplier.

[6] If you are an individual and you die or become disabled, if you are an entity and one of your owners who works actively in your Beyond Food Mart® dies or becomes disabled, or if you are an entity and there is a deadlock among your owners, we may place a manager (who may be one of our employees) in your Beyond Food Mart® to operate it until you or your affected owner are capable of resuming operation, you or your successor has hired a manager, your dispute has been resolved satisfactorily, or a transfer of your interest is completed as required by the Franchise Agreement, as the case may be. You or your successor must pay our charge for the manager and any travel, lodging, or living expenses.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure		Amount	Method of Payment	When Due[1]	To Whom Payment Is To Be Made
Franchise Location Acquisition	Own	0	NA	NA	NA
	Purchase[2]	$200,000 to $4,000,000[2]	As arranged	As arranged	Us, our affiliate, or third party
	Lease[3]: security deposit and one month rent	$16,000 to $28,000	As arranged	As required by landlord	Landlord

Type of Expenditure		Amount	Method of Payment	When Due[1]	To Whom Payment Is To Be Made
Franchise Location Build Out[4]	Turnkey[4]	$400,000 to $1,500,000	See Note 4	See Note 4	Us and our affiliate. See Note 2.
	Retrofit[4]	$200,000 to $650,000	See Note 4	See Note 4	Us, approved contractors, and suppliers. See Note 4.
	New Construction	$500,000 to $1,500,000	See Note 4	See Note 4	Us, approved contractors, and suppliers. See Note 4.
	Vanilla Shell	$200,000 to $650,000			Us, approved contractors, and suppliers. See Note 4.
Up to three front counter point of sale computer systems with credit card reader, automated teller machine, and printer [5]		$12,000 for first unit and $6,000 for each additional unit	Lump sum	When purchased	Supplier
Initial monthly maintenance payment for back office computer software[6]		$170	Lump sum	When ordered	Designated Supplier
Uniforms[7]		$500 to $1,500	Lump sum	When ordered	Designated Supplier
Governmental permits and licenses[8]		$2,000 to $20,000 or $40,000 if you will obtain a license to sell hard liquor	Lump sum	Upon application	City, County, and/or State governmental entities and agencies.
Utility deposits		$500 to $6,000	Lump sum	When account opened	Utility companies

Type of Expenditure	Amount	Method of Payment	When Due[1]	To Whom Payment Is To Be Made
Insurance premiums	\$2,500 to \$6,000	Lump sum	As required by carrier	Carrier
Training period payroll and travel and living expenses[9]	\$1,000 to \$10,000	Variable	During training	Trainees, airlines, hotels, restaurants, car rental agencies, and other providers.
Opening inventory of goods, merchandise, food, beverages, supplies, and paper goods	\$50,000 to \$150,000	Lump sum	When ordered	Approved suppliers. See Items 5 and 8.
Grand opening promotion campaign[10]	\$5,000	As arranged	Within 120 days after opening	Advertising media and other suppliers.
Legal and accounting fees	\$5,000 to \$10,000	As arranged	As arranged	Lawyer or accountant
Additional funds – 3 months[11]	\$30,000 to \$50,000	As required	As required	Employees, suppliers, utilities

<table>
<tr><td rowspan="6">Total</td><td rowspan="3">Turnkey</td><td>Own</td><td>$508,670 to $1,802,670</td></tr>
<tr><td>Purchase</td><td>$708,670 to $5,802,670</td></tr>
<tr><td>Lease</td><td>$524,670 to $1,830,670</td></tr>
<tr><td rowspan="3">Conversion</td><td>Own</td><td>$308,670 to $952,670</td></tr>
<tr><td>Purchase</td><td>$508,670 to $4,952,670</td></tr>
<tr><td>Lease</td><td>$324,670 to $980,670</td></tr>
</table>

Type of Expenditure		Amount	Method of Payment	When Due[1]	To Whom Payment Is To Be Made
	New Construction	Own	$608,670 to $1,802,670		
		Purchase	$808,670 to $5,802,670		
		Lease	$624,670 to $1,830,670		
	Vanilla Shell	Own	$308,670 to $952,670		
		Purchase	$508,670 to $4,952,670		
		Lease	$324,670 to $980,670		

[1] We do not finance any fee or payment except the loan for the acquisition and installation of the Financeable FFE described in Note 4 below and in Item 10. None of these payments is refundable.

[2] You may ask us to approve real property you would like to purchase and develop as a Beyond Food Mart®. The Corporation or other entities owned wholly or partly by one or more of our shareholders often locate Beyond Food Mart® sites ("Selected Site(s)") and sell them to franchisees, either before or after they have been developed as a Beyond Food Mart®. If you purchase a Selected Site that has not been developed, the Purchase and Sale Agreement will condition the purchase on development of the site as a Beyond Food Mart® and your signing a Franchise Agreement with us. If you purchase a Selected Site that is a turnkey location, the Purchase and Sale Agreement will condition the purchase on your signing a Franchise Agreement with us to operate a Beyond Food Mart® on the Selected Site. If you purchase a Selected Site, Nick Fahed, our shareholder, officer, and director, may receive a real estate sales commission based on your purchase of the real property. The wide cost range reflects the variability in size, location, and other attributes of potential sites for a Beyond Food Mart®.

[3] If you do not purchase or already own a site that is suitable for your Beyond Food Mart®, you must lease a suitable location. The typical Beyond Food Mart® has approximately 2,500 square feet of total space, including space open to customers, storage space, and payment counter area. Rent and common area maintenance charges are estimated to be between $8,000 and $14,000 per month, depending on various factors, including, size, condition, and location of the leased premises. Some landlords also charge percentage rent: additional rent based on a percentage of revenue above a certain amount. Landlords usually require payment at the time a lease is signed of a security deposit equal to one month rent and prepayment of the first month rent. Sometimes the landlord will do construction or remodeling work to prepare the

space for you, but then the landlord often requires payment of an additional security deposit equal to a month or two of rent at the time a lease is signed and sometimes then allows one or two months rent free. See Item 11 for additional site information.

[4] The Franchise Location site must be built out, improved, fixturized, equipped, decorated, and branded to our specifications and requirements by a contractor we designate or approve. As described in Item 6, Note 4, construction of these improvements may include floor to ceiling construction of a new building and build out, improvement, and equipping of the interior; build out and installation of FFE and signage in an existing vanilla shell location; or (particularly for a retrofit location) relatively minor remodeling, updating, refurbishing, purchase and installation of FFE, relocation of items, signage, décor, and branding, all depending on the nature and condition of the Franchise Location you have or select. The cost is widely variable based not only on the extent of the work required for the space you select but also the size and geographical location of the Franchise Location; for instance, a 1,000 square foot Beyond Food Mart® in a major city location will be much more expensive to improve as required than will a Beyond Food Mart® in a small more rural area. As mentioned in Note 3, a landlord may do the construction or remodeling work to prepare the space for you or advance the money for that work, adding the cost to the monthly rent. If you purchase a turnkey location, this work will have been done and you will pay for it as part of the turnkey location purchase price but we will offer to finance the portion attributable to the Financeable FFE.

After you propose a Franchise Location site other than a turnkey location, we will give you the Estimate of the Build Out (both as defined in Item 6, Note 4 above) and a statement of the Beyond Loan Amount (as defined in Item 6, Note 4 above). You may then decide to proceed with the development of that Franchise Location or terminate the Franchise Agreement. If you decide to terminate the Franchise Agreement, you must give us or our nominee or have obtained for us from the owner of the proposed Franchise Location a 30 day right of first refusal for us or our nominee to acquire or lease, as the case may be, the Franchise Location site to develop as a Beyond Food Mart® and, if you do not own it, neither you, any person related to you, nor any entity in which you or any person related to you has an interest can acquire any interest in that Franchise Location site for 24 months after you terminate the Franchise Agreement. If you decide to proceed with the development of that Franchise Location by borrowing the Beyond Loan Amount from us (the "Beyond Loan") and you can provide the real property security required by the Franchise Agreement (unless we choose to forego our right to require it), you will give us a Secured Revolving Promissory Note that provides for annual payments of one-twentieth of the Beyond Loan Amount, and accrual of annual interest, with the outstanding balance of principal and interest all due in 20 years or upon earlier termination the Franchise Agreement for any reason. You will also give us a Deed of Trust with Assignment of Rents and Fixture Filing for real property as described in Item 10; personal guaranties from each of your owners and each owner of any real property that secures the loan; a Loan and Security Agreement pledging all assets, present and future, of the Beyond Food Mart® business; a Conditional Assignment of Leasehold Interests and Landlord's Consent and Waiver if you lease the Franchise Location; and a Lender's Consent, Fixture Waiver, and Nondisturbance Agreement if there are any prior loans on the secured property. See Item 10 for a detailed description of the financing arrangements and the possibility we will each year forgive the annual principal payment on the Secured Revolving Promissory Note each year and the accrued interest at the end of the loan term. We may finance the portion of the cost of the acquisition of a turnkey location that is attributable to acquisition of the Financeable FFE as described in Item 10. You will pay the contractor directly the cost of any construction or improvement other than the acquisition and installation of the Financeable FFE. You will also pay the contractor or suppliers directly any other costs in excess of the Beyond Loan Amount, whether those are costs not covered by the Beyond Loan Amount or costs that exceed the Beyond Loan Amount for any reason, including (without limitation) costs that exceed the Estimate.

These figures do not include the cost of (a) acquiring and installing (i) the advertising display systems, that we pay for and own and are given the right to install in locations we select in the Franchise Location and outside the Franchise Location anywhere on the real property of which the Franchise Location is a part (including on fuel dispensers and other outdoor facilities) or (ii) the back office computer system and signage, both of which we pay for and own and are given the right to install in locations we select in and outside the Franchise Location, or (b) acquiring and installing the required front counter point of sale computers with monitors, credit card readers, automated teller machines, and printers (the "POS System(s)") described in Item 11 that you purchase.

[5] You must acquire and install the POS System(s) at the front counter in your Franchise Location. Depending on the size of your Beyond Food Mart®, you will have between one and three POS Systems. You purchase any brand you choose from any supplier you choose, but the POS System must be compatible with the designated back office computer system described in Items 8 and 11.

[6] You must have in the back office of your Beyond Food Mart® the back office computer system described in Items 8 and 11. We will purchase and continue to own the back office computer system hardware. We will obtain and own the license for the designated software that we will have installed on the back office computer system. We own all the data on the back office computer system and can use and remove all or any part of the back office computer system or the data at any time, so long as we comply with applicable privacy laws when using the data. You may not use the data in any way except as permitted by your Franchise Agreement. You will pay the designated supplier a monthly maintenance fee for the designated software and will make the first monthly maintenance payment before you open your Franchise Location.

[7] Personnel working in your Beyond Food Mart® must wear a polo shirt with our designated logo and may also be required to wear a cap with our designated logo.

[8] This estimated range is based on obtaining a new license. If you buy an issued license (for instance, a liquor license) from a licensee, your cost will be higher.

[9]The number of people you train, whether you need to provide food, lodging, and transportation for them during training, and the distance they must travel are among the factors that will affect your training travel, lodging, and related expenses. You must also pay wages and related payroll expenses for your trainees during training. See Item 11 for additional information.

[10]You must spend at least $5,000 on your grand opening promotion.

[11]This is an estimate of the funds you will need for operating expenses during the first three months after you open your Beyond Food Mart®. Those expenses include payroll, utilities, taxes, rent, inventory, and similar costs. This figure does not include any salary for you, even if you work in the business. New businesses typically have expenses greater than revenue for some period of time. You may not have income for longer than three months. The exact amount of your costs will depend on a variety of factors, including your technical, marketing, management, budgeting, and general business skill and acumen; local economic conditions;

competition in your local area; the local market for Beyond Food Mart® products; the prevailing wage in your area; the availability and cost of competent help and the extent to which you hire employees; other operating costs in your local area; and the volume of sales you reach during the initial operating period. These figures are only estimates. Your costs and capital needs may be higher or lower. The Beyond Food Mart® franchise concept is new so we do not have sufficient prior Beyond Food Mart® franchise operating experience on which we can base these estimates. We used our affiliate's experience developing and operating company-owned Beyond Food Mart® locations to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase a Beyond Food Mart® franchise. Because costs can vary with each franchisee based upon a multitude of factors, we strongly recommend that you (a) obtain from third-party vendors and your accountant independent estimates of the projected costs of developing and starting your own Beyond Food Mart®, (b) research applicable laws and regulations and their impact on your costs and operations, and (c) carefully evaluate the adequacy of your total financial resources and reserves to meet the uncertainties that unavoidably accompany starting any new business.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must develop and operate your Beyond Food Mart® as required by our detailed operating guidelines and procedures and using all the elements of the Beyond Food Mart® Method, which you will learn during training and have in the Beyond Quality Assurance Manual (the "Beyond Manual").

Beyond Food Mart® Location and Lease

Your Beyond Food Mart® must be operated from a location that meets our site selection criteria. You may either own, lease, or purchase the location. If you lease your Beyond Food Mart® location, the lease must be for a term of 20 years and must give us the rights specified in Section 4.2 of your Franchise Agreement and include a nondisturbance and recognition agreement from the landlord and the landlord's lender, if any. Whether the location is already owned, leased, or purchased, it must be improved, built out, equipped, decorated, and branded as we require so it has the unique appearance and trade dress of a Beyond Food Mart®.

Architect/Engineer

You must engage an architect or engineer from our approved list to prepare the plans and specifications for your Franchise Location. You may propose a different architect or engineer for our consideration and approval but we are not obligated to permit you to use any architect or engineer other than the one we designate.

Beyond Food Mart® Design, Improvements, Décor, and Appearance

The layout, design, décor, interior and exterior signage, and appearance of your Beyond Food Mart® must comply with the plans the architect and/or engineer we designate or approve prepares and incorporate all the elements of the Beyond Food Mart® Method as we require. We designate all the wall coverings, ceiling treatment, floor treatment, décor, and signage of your Beyond Food Mart® and you must obtain all of them from vendors we designate. Your Beyond Food Mart® must have the same appearance as other Beyond Food Marts. You must maintain that appearance at all times and cannot alter it in any way without our prior written permission, which we may withhold in our own complete discretion. The plan-o-gram described below dictates the location, placement, and display of merchandise in your Beyond Food Mart®.

Contractor

You must engage a contractor from our approved list or a contractor you propose whom we approve to build out and improve your Beyond Food Mart®. You, we, or the contractor will purchase and the contractor will install all the improvements, equipment, fixtures, and furnishings we require, install the interior and exterior signage, and decorate the store to our specifications. The contractor will also install at our expense in locations in or on the Franchise Location we select the advertising display media we require, which we will own and use as we choose.

Furnishings, Fixtures, Equipment, Small Wares, Computer, and Point of Sale System

You must equip your Beyond Food Mart® with all the furnishings, fixtures, equipment, and small wares we designate, obtain or have the contractor we designate or approve, obtain them from us or our affiliate, and have them installed by the contractor we designate or approve.

You must use in your Beyond Food Mart® a back office computer system we own. You must use on that computer a software system we designate. The system we presently designate is described in Item 11. We will pay the initial license fee and continue to own the license for that software.

You must purchase and use at the front counter of your Beyond Food Mart® one or more POS Systems capable of seamlessly communicating data from and to the designated back office computer system. Presently the POS System must include one or more monitors, credit card readers, automated teller machines, and printers. See Item 11 for additional information.

We do not presently require you to have any computer or computer software or hardware other than the back office computer and software system and the compatible POS System(s) described in this Item and Item 11. But we anticipate expanding the use of technology and incorporating technological innovations in every Beyond Food Mart®. We may at any time require you to purchase, install in a place we designate in your Beyond Food Mart®, and use other computer or electronic devices in the operation of your Beyond Food Mart®. We may at any time require you to link to or attach electronic equipment or devices we require you to acquire to any of the equipment or devices in your Beyond Food Mart®. You must make space available in the location(s) we select in your Beyond Food Mart® for any additional equipment or devices as we require. We may also at any time require you to acquire, install, and use in your Beyond Food Mart® any software or other technological tools we designate.

We may access the back office computer system, your POS System, any other electronic equipment or devices we require you to install and use in your Beyond Food Mart®, all of the software, and all of the data on any of them at any time. All of the data produced by or on the back office computer system, your POS System, or any other electronic equipment or devices you use in your Beyond Food Mart® belongs to us and we may access and use it in any way we choose at any time so long as we comply with applicable privacy laws. You may not use any of that data except as permitted by the Franchise Agreement. Because we own it, we may at any time remove the back office computer with the data on it.

We can at any time add inventory or food items to the products and items you are required to carry in your Beyond Food Mart®. If any item we add requires a new piece of equipment and/or one or more new small wares, you must acquire that equipment and/or the small wares.

Food Products, Goods, Merchandise, and Services

We will give you a plan-o-gram that tells you what food and other inventory items you must carry at your Beyond Food Mart® and where and how they must be displayed. We may add items to, eliminate items from, or otherwise revise the plan-o-gram periodically as we choose by giving you at least 15 days written notice of any change. Regardless of changes, the plan-o-gram will at all times designate 90% of the goods and merchandise you must sell at your Beyond Food Mart® and how they must be displayed.

Before you open for business, you must stock your Beyond Food Mart® with all the food products, goods, and merchandise we require you to carry. Throughout the time you operate your Beyond Food Mart®, you must carry and offer for sale the full inventory of food products, goods, and merchandise we designate and provide the full complement of services we designate. You will carry and sell our designated groceries and packaged food, hot and cold prepared food, snacks, candy, and other packaged goods, pastries, ice cream and frozen desserts, hot and cold beverages and soft drinks, toiletries, magazines and newspapers, hats, novelty items, sundries, and other products and services we designate or approve, as well as beer and wine if they can legally be sold at your Franchise Location, some tobacco products you select if tobacco can legally be sold at your Franchise Location, and some inventory you select and we approve, which may include hard liquor if it can legally be sold at your Franchise Location.

Your inventory will include various branded paper goods, apparel, and mugs you will purchase from a distributor we designate. Those branded goods are manufactured for us and we sell them to the distributor at a markup.

The items you must carry will also include various private label merchandise. The private label coffee and coffee drinks, tea and tea-based beverages you are required to carry will be purchased from companies owned by Mark Sater's son.

You must purchase from a supplier we designate and sell pre-made hamburgers of a brand we designate and serve them in the branded wrappers we or supplier designates. One of our affiliates is an area developer of the brand of hamburgers we currently designate but it is not the supplier of the hamburgers or the wrappers.

If we require you to sell beer and wine and/or if you choose to and may legally sell hard liquor and/or tobacco products at your Franchise Location, you must obtain the necessary licenses and permits to sell beer and wine, tobacco products, and hard liquor items we have specifically approved. If you sell lottery tickets, you must also obtain all licenses and permits and meet all other qualification standards required to sell lottery tickets. You must make whatever modifications to your Franchise Location are required to obtain the licenses or permits and meet the other qualification standards.

We do not presently have any proprietary items other than the branded goods described above. But we may add proprietary items in the future and require that you purchase those items from us or a vendor we designate. We do have various private label products and you must purchase those from a designated vendor and include them in your inventory at all times.

In addition to inventory items that are standard for a Beyond Food Mart® you may carry and sell any merchandise, beverages, or food products you select that have been approved by us ("Flex Items") up to a total of 10% by quantity of the total inventory at your Beyond Food Mart®. Your Flex Items may include hard liquor items we specifically approve, if you can legally sell hard liquor at your Franchise Location. Your Flex Items may not include anything that is pornographic or illegal. You must obtain our prior written approval of all your Flex Items and you may not offer or sell at your Beyond Food Mart® any food, beverages, products, goods, wares, or merchandise not included in the standard Beyond Food Mart® inventory without our prior written consent. You may display your Flex Items only in the area we designate.

You must purchase all the goods and merchandise you sell at your Beyond Food Mart® from suppliers we designate or approve and each inventory item must be one designated or approved by us. We or one of our affiliates may be one of or the only vendor we designate or approve for any or all goods or merchandise but neither we nor any of our affiliates is presently a supplier of any of those items. You must maintain an adequate stock of merchandise, goods, and products.

Advertising Display Media

You must permit us to install at your Beyond Food Mart® (and obtain any necessary permission from your landlord, if you have one), in locations we select inside and/or outside your Beyond Food Mart® (including on fuel dispensers or elsewhere on the real property you occupy that is outside the Beyond Food Mart®), advertising media display equipment we select and own or lease. We select the content displayed on the advertising media display equipment and maintain and service it; you have no right to use or control any of the advertising media displays. We will pay you monthly fees for the right to install, maintain, and service the advertising media display equipment (including the use of the power sources) of $250 for advertising media displays located in or on your Beyond Food Mart® and $150 for any fuel dispenser advertising media displays.

Packaging, Cups, Lids, Paper Goods

You must purchase from a vendor we designate and use in your Beyond Food Mart® only the hot and cold cups, lids, wrappers, bags, and other paper goods we designate. Those paper goods must display any logo and/or other branding we designate. The designated vendor purchases the branded paper goods and merchandise from the us at the same price we paid for them and pays us a 10% administrative and processing fee.

Promotional Materials

All promotional materials you use for your Beyond Food Mart® must be approved by us. We may provide you some promotional materials or templates you can use to have promotional materials prepared by a vendor you select, but those materials must be of a quality we approve. You must replace any promotional material that is worn or damaged so that the promotional material you display is always of top quality.

Uniforms

You must purchase from a designated third party the uniform components your employees are required to wear while working in your Beyond Food Mart®. The uniform will include a polo-style shirt with the Beyond logo we designate and may include a cap with the Beyond logo we designate.

Gift Cards

We do not presently use gift cards but we have the right to start using and requiring you to sell and accept them at your Beyond Food Mart®. If we do, you must purchase gift cards from us or our designated vendor and sell and accept at your Beyond Food Mart® branded gift cards.

Participation in Promotional and Advertising Campaigns

We may require you to display at your Beyond Food Mart® advertising material we specify, which we may change at any time. We may require you to participate in any System-wide advertising campaigns, programs, contests, drawings, and other promotional events or activities, unless applicable law prevents you from participating. We may either designate a vendor for the materials in those campaigns from whom you must acquire the required materials (which may be us or our affiliate) or give you templates you must use to have the materials prepared by a vendor you select, but the quality of those materials must be approved by us.

Telephone Listings

You must list the primary voice telephone land line of your Beyond Food Mart® in all telephone directories in your geographical area and in all your local advertising. The telephone listings must identify your Beyond Food Mart® as a franchise.

Insurance

You must carry public liability, property damage, and product liability insurance with a single combined liability limit of not less than $2,000,000, insuring against all liability of you and your agents and employees arising out of or in connection with the operation of your Beyond Food Mart®. We may change the amounts and the required coverages at any time.

You must also carry fire, theft, and extended coverage, liability, and business interruption insurance for your Beyond Food Mart® in amounts and with coverages we designate, which may be changed in the future but presently are replacement cost fire, theft, and extended coverage; $2,000,000 combined single limit liability insurance; and business interruption providing one year of payments. If you carry beer, wine, or other alcoholic beverages, you must also have dramshop insurance.

You must name us an additional named insured on the insurance coverage other than worker's compensation insurance and your public liability coverage must include General Commercial Liability Endorsement CG 20 29 04 13 – Additional Insured – Grantor of Franchise.

Petroleum Motor Fuel Distributorship

If your Beyond Food Mart® is in a motor fuel retailing facility for which you do not have a petroleum supply agreement or if your petroleum supply agreement for that facility expires during the term of your Franchise Agreement, you must replace it with a motor fuel brand we designate and purchase all of your petroleum motor fuel from our designated affiliate.

Right of First Refusal

If you own the Franchise Location real property, you must grant us a right of first refusal to purchase the real property and improvements if you decide to sell it. Our right is exercisable at the price at and on the terms on which you intend to sell the real property and improvements for 60 days from the date you deliver to us notice of the proposed purchase.

Revenue from Franchisee Purchases

At this time, the purchases and payments described in this Item will be 90% to 95% of your total purchases in establishing your Beyond Food Mart® and approximately 75% to 85% of your total purchases during your operation of your Beyond Food Mart®.

In our fiscal year ending December 31, 2017, none of our total revenue was derived from fees paid by the distributor that purchases branded goods from us and sells them to franchisees.

PepsiCo gives us rebates based on beverage and food product sales it makes to our franchisees. We have negotiated an agreement with convenience store supplier Core-mark International, Inc. to pay us rebates based on purchases by our franchisees. We retain those rebates and do not share them with or use them in any way for the benefit of franchisees.

We may in the future negotiate price terms and rebates from suppliers or manufacturers from whom you are required or permitted to purchase merchandise and we or one or more of our affiliates may receive payments from some of those vendors based on your purchases. Rebates are typically based on the volume of purchases sold by franchisees who purchase products from the supplier or manufacturer. But some suppliers or manufacturers give price allowances or rebates on a per store basis. Some rebates are based on placement of designated products, fixtures, or signs in the participating store for a promotional period specified by the supplier—commonly referred to as promotional allowances. Still other rebates are provided by suppliers or manufacturers for general use in promoting and marketing their particular products. Although you may receive directly from a supplier promotional allowances on particular products you purchase from a supplier who offers them (as PepsiCo does periodically), we are not obligated to and may or may not share with you all or any part of rebates paid to us. If a manufacturer's rebate that we share with you is conditioned on compliance with requirements imposed by the manufacturer, you must comply with those requirements for us to pass through to you any rebates we choose to pass through to franchisees.

PepsiCo and other vendors may make payments to us based on purchases of certain of their products when we display their promotional material on the advertising display media described in Item 8. We do not share those payments with any franchisee.

Procedures for Supplier Approval

When your trainees begin training for the operation of your Beyond Food Mart® we will give you access to the confidential Beyond Manual on the franchisee only section of our website by using your unique user name and a password. The Beyond Manual includes our lists of suppliers we designate for certain items and suppliers that meet our standards and have been approved as suppliers of items for which we do not designate a supplier.

We pick suppliers and brands based on our subjective judgment about the quality, taste, and/or appearance of the goods and our evaluation of the supplier's ability to supply goods in the quantity and at the time our franchisees require them. We will change designated suppliers, modify specifications, and grant or revoke approval for suppliers by issuing revised specification sheets or approval lists.

Our private label products are produced only by suppliers we select and are sold and distributed only by us, our affiliates, or the suppliers we have selected. We will not consider requests from franchisees to designate or approve any other producer or distributor of private label products or substitutes for them. Our branded goods, the branded coffee and tea, and the pre-made, branded hamburgers and wrappers you must sell can only be purchased from the designated suppliers.

You may make a written request that we approve a particular supplier or a particular brand of any other merchandise, product, paper good, or supply using our Supplier Approval Request Form. After we receive the completed Supplier Approval Request form and the fee set forth in our fee schedule based on our costs for two hours of work (currently $65 per hour, plus expenses), we will give you an estimate of the anticipated cost of conducting the supplier approval review. After we receive a deposit for the estimated cost of the review from you, we will conduct the vendor evaluation. We can require you to deliver a sample of the merchandise, product, paper good, or supply and appropriate information regarding its producer, suppliers, and availability. Promptly after receipt of any sample, we will perform or have performed by an independent testing laboratory any tests we choose to make and make any investigation of its producer and suppliers we deem necessary or desirable. We are required to respond "promptly" to your request for supplier approval but there is no specific deadline by which we must notify you of our approval or disapproval.

If in our judgment the suggested goods and supplier are at least comparable in quality and capability to current approved goods and suppliers of the particular item or the suggested brand is comparable or superior in quality, grade, performance, appearance, and reputation to the currently approved brand or brands of that item, and its producer and suppliers are capable of supplying it at the times and in the quantities our franchisees are likely to require, we will add the suggested supplier or brand to our List of Approved Brands and Suggested Suppliers.

If we conclude that the suggested brand and its suppliers should not be added to the List of Approved Brands and Suggested Suppliers, we will promptly give you notice of that fact, setting forth the particulars on which we based our decision. We may choose to refuse to approve additional suppliers or brands that are as good as or better than the approved ones only because we limit the total number of sources of supply for quality control and management purposes.

Cooperatives and Other Benefits

Currently there are no purchasing or distribution cooperatives for our franchisees. We do not provide any material benefits to you based on use of designated or approved sources.

Negotiated Prices

We may negotiate prices with suppliers and we have done that with PepsiCo based upon our agreement to display PepsiCo's advertising on the media displays described above.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation	Sections in the Franchise Agreement	Franchise Disclosure Document Item
a. Site selection and acquisition/lease	Article 4	Items 7, 11, and 12
b. Pre-opening purchases/leases	Articles 5 and 6	Items 7, 8, and 11
c. Site development and other pre-opening requirements	Articles 4 and 5	Items 7 and 11
d. Initial and ongoing training	Article 7	Item 11
e. Opening	Article 9	Item 11
f. Fees	Articles 3 and 7, and 23; Sections 8.1, 10.2, 14.3, 14.4, 22.2, and 29.3	Items 5 and 6
g. Compliance with standards and policies/Beyond Manual	Article 8	Items 8, 11, and 16
h. Trademarks and proprietary information	Articles 1 and 8; Section 14.11; Schedule 1	Items 13 and 14
i. Restrictions on products/services offered	Articles 8 and 10; Section 1.3	Item 16
j. Warranty and customer service requirements	Sections 14.9 and 16.2	Item 11
k. Territorial development and sales quotas	Section 1.2	Item 12

Obligation	Sections in the Franchise Agreement	Franchise Disclosure Document Item
l. Ongoing product/service purchases	Article 10	Item 8
m. Maintenance, appearance and remodeling requirements	Article 11; Sections 5.3, 5.4, and 14.10	Item 11
n. Insurance	Article 17	Items 7 and 8
o. Advertising	Article 14	Items 7, 8, and 11
p. Indemnification	Article 18	Item 6 and 13
q. Owner's participation/management/ staffing	Article 15	Items 11 and 15
r. Records and reports	Article 12	Item 11
s. Inspections and audits	Sections 12.6, 12.7, 12.9, and 16.1	Items 6 and 11
t. Transfer	Article 20	Item 17
u. Renewal		Item 17
v. Post-termination obligations	Articles 26 and 27	Item 17
w. Non-competition covenants	Section 13.1	Items 17
x. Dispute resolution	Article 30; Sections 32.7, 32.9, 32.10, 32.11, 32.12	Item 17
y. Assumption and guarantee of franchisee's obligations, assignment of inventions and innovations		Item 14

[1]Each individual who owns an interest in a franchisee business entity must sign an agreement not to compete, assuming and agreeing to perform all of the franchisee's obligations under the Franchise Agreement, and assigning to us all inventions, improvements, or innovations he or she develops while operating a Beyond Food Mart® that relate to the Beyond Food Mart® business (Exhibit J).

ITEM 10. FINANCING

After you select a Franchise Location we approve, we will give you the Estimate (as defined in Item 6, Note 4) and offer to finance up to $650,000 of the cost of acquiring the Financeable FFE (as defined in Item 6, Note 4) if you have real property security with the value we require, as described in the next paragraph, unless we choose to forego our right to require real property security. If you are purchasing a turnkey location, we will offer to finance the portion of the purchase price attributable to the Financeable FFE, up to a maximum of $650,000. The interest rate on the loan will be 9% *per annum*. Because, as described below, we may forgive one-twentieth of the loan at the end of each year of your operation of your Beyond Food Mart® and all accrued interest at the end of the loan term, if you do not default under the Franchise Agreement, the promissory note, or any other agreement with us or any of our affiliates, meet the necessary performance standards, pay all your suppliers as and when due, and the Franchise Agreement is not terminated or cancelled for any other reason, the entire Beyond Loan Amount will be forgiven by the end of the 20 year term of the Franchise Agreement.

You must give us a (i) Secured Revolving Promissory Note that provides for annual payments of one-twentieth of the Beyond Loan Amount with the outstanding balance of principal and accrued interest all due in 20 years or upon earlier termination of the Franchise Agreement for any reason, (ii) Deed of Trust with Assignment of Rents and Fixture Filing (the "DOT") to the Franchise Location real property if you own it, a leasehold mortgage in the form of a DOT if you are the ground tenant of the Franchise Location, or a DOT to other real property and improvements approved by us owned by you or your affiliate that guarantees the Secured Revolving Promissory Note (one prerequisite for approval being that the owned real property, whether it is the Franchise Location of other real property you or your guarantor affiliate owns, must have an appraised value (as shown by an MAI appraisal obtained by us and paid for by you) at least 20% greater than the total amount of indebtedness secured by the real property after your DOT securing the Secured Revolving Promissory Note is recorded), all unless we choose to forego receiving real property security, (iii) Conditional Assignment of Leasehold Interest and Landlord's Consent and Waiver if you lease the Franchise Location, (iv) Lender's Consent, Fixture Waiver, and Nondisturbance Agreement from any senior lender on the real property that is the subject of the DOT or leasehold mortgage; (v) title report issued by a title company we designate showing that any DOT will have a lien with a no more than second or third priority, whichever we select, (vi) Loan and Security Agreement pledging all the assets, present and future, of the Beyond Food Mart® that are owned by you, and (vii) personal guaranty from you or each of your owners and the owner of any real property you do not own that is the subject of a DOT and each of its owners (items (i) through (iv), (vi), and (vii) are called the "Loan Documents"). We may obtain an MAI appraisal prior to approving the real property security and may obtain one or more updated appraisals at any time during the term of the Secured Revolving Promissory Note. If when the Loan Documents are delivered, at any time prior to or upon recordation of any DOT, or at any time during the term of the Secured Revolving Promissory Note the real property security, if any, has less than the priority we have agreed to or the total amount of indebtedness is more than 80% of the value of any real property that secures the loan (either, a "Shortfall"), we may terminate the Franchise Agreement and accelerate payment of the Secured Revolving Promissory Note if you do not take all action necessary to cure the Shortfall within 10 days after we deliver notice of the Shortfall.

If we make the Beyond Loan, we will advance payments as and when necessary to purchase the Financeable FFE, up to the total Beyond Loan Amount, directly to the contractor, sellers of the FFE, and other suppliers or installers of materials, goods, and services that are part of the Work (as defined in the Franchise Agreement). If for any reason, whether or not foreseen, the Build Out cost exceeds the Estimate, you must pay that excess amount (the "Excess") to the contractor within five days after notice of the amount of the Excess is delivered to you. If the Build Out Cost exceeds the Estimate for any reason and you do not deliver the Excess within five days after demand, we may terminate the Franchise Agreement by delivering written notice of termination. You must pay directly all the costs of developing a Beyond Food Mart® on the Franchise Location site that are not included in the Beyond Loan Amount, whether those are costs for items or work other than the acquisition and installation of the Financeable FFE or costs that exceed the Estimate for any reason.

The Secured Revolving Promissory Note will require equal annual payments of principal every year for 20 years. On the business day after the last day of each 365 day period after the Term Commencement Date (a "Franchise Agreement Year") during which you fully and timely perform all of your obligations under the Franchise Agreement and any other agreement between you and us or any of our affiliates (including, without limitation, the Secured Revolving Promissory Note and any other promissory note from you or any of your affiliates to us or any of our affiliates) and pay as and when due all the vendors and others who provide goods or services to your Beyond Food Mart® (collectively, "Fully Performed"), we will forgive the annual principal payment on the Secured Revolving Promissory Note for the preceding Franchise Agreement Year. We will issue you an Internal Revenue Service Form 1099 or other appropriate document memorializing the principal forgiveness each year. At the end of the Secured Promissory Note term we will forgive all accrued interest if you have Fully Performed throughout the term. We will issue you an Internal Revenue Service Form 1099 or other appropriate document memorializing the interest forgiveness.

We do not guaranty your lease or any other obligation you incur.

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

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

Pre-Opening Assistance

Before you open your Beyond Food Mart®, we will:

1. Identify for you any turnkey location that may be available. (Franchise Agreement, Article 4);

2. Review the locations you propose and confirm that the location you select fulfills our basic site selection criteria. (Franchise Agreement, Article 4);

3. Review any lease of the location you select to confirm that it fulfills the requirements of the Franchise Agreement. (Franchise Agreement, Article 4);

4. Introduce you to an architect and/or engineer we approve so you can engage him or her to prepare the plans for the Build Out of your Franchise Location to comply with our layout, specifications, design, and appearance. (Franchise Agreement, Article 5);

5. Consider any architect or engineer you request we approve to prepare the plans for the Build Out of your Franchise Location to comply with our layout, specifications, design, and appearance. (Franchise Agreement, Article 5);

6. Introduce you to the contractor we would approve so you can engage him or her to apply for and pursue issuance of all governmental approvals or permits required for the construction and improvement of the Franchise Location only (not any other petroleum motor fuel or other dealership, franchised, or other business or improvements that may be located on the Franchise Location site) in accordance with the Plans (as defined in the Franchise Agreement) ("Building Permits") and perform the Work. (Franchise Agreement, Section 5.3B);

7. Consider any contractor you ask us to approve to apply for and pursue issuance of all Building Permits and perform the Work. (Franchise Agreement, Section 5.3B);

8. Acquire and have installed in the back office of your Franchise Location our back office computer system that you will use to collect all of the data related to your operation of the Franchised Business throughout the term of the Franchise Agreement;

9. Acquire and install in locations we select on your Franchise Location property the signage we require you to display throughout the term of the Franchise Agreement;

10. Assist you in making contact with the distributor that will provide your required inventory items if you ask for our help and have the distributor give you an opening inventory list. (Franchise Agreement, Article 6);

11. Train up to three people, including your Approved Manager, as defined in Item 15 below, (who may be you if you are an individual) and two of your employees who have signed the form of confidentiality agreement we are then using, to operate your Beyond Food Mart®. (Franchise Agreement, Articles 7 and 15). See below for details about the initial training;

12. Add your Beyond Food Mart® to the list on our website. (Franchise Agreement, Article 14);

13. Give you hard copy and electronic access to the confidential Beyond Manual that contains mandatory and suggested practices, standards, procedures, product and improvement specifications and designations, and the other guidelines, instructions, and directions you must use in the operation and management of your Beyond Food Mart®. (Franchise Agreement, Articles 1 and 8) The Beyond Manual contains our most highly confidential, proprietary, and trade secret information and remains our property. You cannot make copies, permit access to, or disclose its contents to unauthorized persons. When your Franchise Agreement expires or is terminated or you leave the System for any other reason, your access will end. As of the date of this Franchise Disclosure Document, the Beyond Manual contains 44 pages. We may modify the Beyond Manual at any time and in any way so long as no modification materially diminishes your rights under your Franchise Agreement. A copy of the Beyond Manual table of contents is attached to this Franchise Disclosure Document as Exhibit B;

14. Approve materials for your grand opening promotion and initial advertising. (Franchise Agreement, Articles 9 and 14); and

15. Provide at your expense additional initial training you request. (Franchise Agreement, Article 7).

Assistance During Operation

During the operation of your Beyond Food Mart® we will:

1. Contact you periodically to review and consult with you regarding your operations. (Franchise Agreement, Section 7.4A);

2. Have a field representative come to your Beyond Food Mart® to provide advice and assistance regarding use of the Beyond Food Mart® Method in the operation of your Beyond Food Mart® within 10 days after you request that assistance. You must pay us within 10 days after

your receipt of an invoice the daily field assistance charges then set forth in the Fee Schedule and our actual out of pocket expenses for any travel by our field representative more than 120 miles round trip. (Franchise Agreement, Section 7.4B);

3. Provide additional and/or refresher training to you and your employees who have signed the form of confidentiality agreement we are then using. We charge you for additional training you request and you must pay all travel, living, and other expenses of your trainees related to their attendance at the training. (Franchise Agreement Section 7.2);

4. Update the Beyond Manual as we find necessary. (Franchise Agreement Section 1.4B);

5. Update and improve standard operating techniques as we find necessary or desirable and send you notice of any resulting Beyond Manual updates. (Franchise Agreement Section 1.4B);

6. Maintain the Beyond Food Mart® website and include your Beyond Food Mart® in the list of Beyond Food Mart® locations on it so long as you are not in default under your Franchise Agreement. (Franchise Agreement, Section 14.4);

7. Consult with you regarding any local advertising you propose to use and review and comment upon or approve your proposed advertising. You cannot use any advertising unless we approve it. We will deliver our approval or disapproval within 10 days after we receive the material and your request. (Franchise Agreement, Section 14.6);

8. Spend annually an amount equal to at least 5% of the royalties we are paid by Beyond Food Mart® franchisees to market the Beyond Food Mart® brand (Franchise Agreement Section 14.8); and

9. Pay you a fee for the right to maintain and operate our advertising display media in your Franchise Location.

Site Selection

The location you select for your Beyond Food Mart® must fit our site selection criteria. (Franchise Agreement, Section 4.1) We may suggest one or more turnkey locations or site locations that we have confirmed fit our site selection criteria, but you are not obligated to choose one of those sites nor does our suggestion of a site mean that you will succeed in operating a Beyond Food Mart® at a particular site.

If the location for your Beyond Food Mart® is not set forth in Exhibit A to the Franchise Agreement when we deliver it to you, within 50 days after the date we deliver to you a counterpart of the Franchise Agreement signed on our behalf (the "Effective Date") you must deliver to us a request for approval of at least one site that fits our basic site selection criteria and is located in an acceptable geographical area (the "Proposed Site(s)"), accompanied by a form of lease, a Proposed Site layout and schematic, a map of any shopping center, mall, or other site of which the Proposed Site is a part, a comprehensive set of photographs of the Proposed Site, and any other documents or information about the Proposed Site we request (the "Site Approval Request Package"). Within 30 days after we receive the Site Approval Request Package from you we will give you written notice whether the Proposed Site meets our basic site selection criteria or notice that we will visit one or more Proposed Sites. If we make one or more site visits we will complete the site visits and advise you of our approval or rejection within 10 days after we deliver notice of our intention to visit one or more of your Proposed Sites. If we visit one or more Proposed Sites and later terminate this Franchise Agreement because you do not open the Franchise Location as required, you will reimburse us for our costs related to the visits to the Proposed Site(s).

If we deliver notice that your first Proposed Site does not meet our basic site selection criteria, you must continue diligent efforts to propose and deliver a Site Approval Request Package for one or more other Proposed Sites until we notify you that a Proposed Site fulfills our basic site selection criteria. If you have not succeeded in obtaining a Franchise Location that fulfills our basic site selection criteria within 90 days after the Effective Date, we may (but are not obligated to) terminate the Franchise Agreement by delivering notice of termination, in which case we will refund any security deposit you have paid us less the cost of any visits to Proposed Sites after you sign and deliver the form of general release we are then using.

The factors in our site selection criteria include traffic patterns, availability and proximity of parking, site location type and physical characteristics (including size), proposed lease terms, the proximity of competition from other similar businesses, the proximity of other Beyond Food Mart® locations, and other factors we may consider relevant. Our approval of your selected site is not a guarantee that your Beyond Food Mart® will succeed at that site; it is only an indication that the site meets our basic site selection criteria.

Most Beyond Food Mart® franchisees will open their location for business within 24 months after we sign the Franchise Agreement. Factors that may affect the time from our signing the Franchise Agreement until a Beyond Food Mart® opens include whether you have identified a location that fits our site criteria before you sign the Franchise Agreement; whether you choose a site that we suggest; the time it takes you to locate a suitable site; how long it takes you to negotiate and sign a lease with the landlord that meets our lease requirements; how long it takes you to be approved for and obtain any financing you need to develop, equip, furnish, and fixturize your Beyond Food Mart®; how long it takes to build out the Franchise Location, including construction delays; how long it takes you to staff your Beyond Food Mart®; and how long it takes you to comply with local ordinances and regulations and for governmental agencies to issue all necessary permits and licenses.

Advertising

We do not presently conduct any System-wide advertising for Beyond Food Marts. But we will spend 5% of the royalties we are paid to promote the Beyond Food Mart® brand in general. There are no limits on what proportion of those funds may go to administrative or production expenses rather than actual advertising. We will select the media we use for that advertising and it may include print, radio, television, electronic, or social media. As part of that effort we may provide advertising or promotional material you are required to use or display in your Beyond Food Mart®. We may also require you to participate in System-wide contests and similar promotions we conduct using those funds so long as no applicable law precludes your required participation. We may produce that advertising material ourselves or we may hire an advertising agency or similar third party to prepare it for us. We will also determine the geographical scope of the advertising, which may extend beyond the geographical area in which Beyond Food Mart® franchises are operating in order to draw travelers to existing Beyond Food Mart® locations.

You are not required to contribute to an advertising fund. You are not required to participate in an advertising cooperative. We do not have an advertising council comprised of franchisees. You may but are not required to conduct local advertising but any advertising materials and campaigns must be approved in advance by us. (Franchise Agreement, Article 14)

After you open your Beyond Food Mart® you must spend at least $5,000 on a grand opening campaign for purposes we approve. (Franchise Agreement, Section 9.2). We may require you to give away promotional items as part of that campaign.

Website

We have developed and maintain the Beyond Food Mart® website to advertise, market, and promote Beyond Food Mart® locations and provide a resource for franchisees (the "Website"). We will include your Beyond Food Mart® in the list of Beyond Food Mart® locations on the Website so long as you are not in default under your Franchise Agreement. We will update and modify the Website as and when we decide it is appropriate.

You may have your own website and may promote your Beyond Food Mart® on Facebook, Twitter, Tumblr, Instagram, Pinterest, and other social media of which we approve in writing. But any website you create and all of its content (as revised from time to time) must be approved by us prior to use and all your posts or tweets must comply with any social media policy in the latest version of the Beyond Manual we have delivered to you. (Franchise Agreement, Section 14.5)

Computer Requirements; Internet Connection

You must use in your Beyond Food Mart® back office all the electronic equipment and software or other technology we designate. That includes a back office computer, monitor, printer, and handheld digital reader gun used for inventory we will own but permit you to use (the "BOS"). We currently require you to use on the BOS the software we designate, which is presently the Service Station Computer Systems, Inc. ("SSCS") software system (the "SSCS System"). The SSCS System you use must include the SSCS Computerized Daily Book, Transaction Analysis, and Central Price Book features. All your sales transaction must be transmitted to and maintained on the SSCS System on the BOS.

We will obtain a license from SSCS for your use of the SSCS System we designate at your Franchise Location and pay SSCS' initial license fee. You will pay SSCS a monthly fee for maintenance of the SSCS System but the SSCS System will continue to belong to SSCS and the license will continue to belong to us. Annual maintenance, upgrades, and support contracts will cost you approximately $170 per month. We may change the designated software system at any time.

You must purchase and use in your Beyond Food Mart® one or more front counter POS Systems capable of seamlessly communicating data from and to the designated back office computer system. Presently the POS System must include one or more monitors, credit card readers, automated teller machines, and printers. Because we own all the data on the POS System(s), we may access it at any time and use it however we choose, so long as we comply with privacy and other laws related to the customer information on it.

You must have a business quality high speed, wireless internet connection at your Beyond Food Mart®. You may use any internet service provider you choose. But your connection must have the capacity to handle all the data you are required to make available to us or receive over the internet from us or the designated software system vendor (presently SSCS) and to operate the BOS and POS Systems, as well as any other electronic equipment or devices we may require you to have and use.

We do not presently require you to have any computer or computer software or hardware other than the BOS, the SSCS System, and the compatible front counter POS System(s). But we anticipate expanding the use of technology and incorporating technological innovations in every Beyond Food Mart®. We may at any time require you to purchase, install in a place we designate in your Beyond Food Mart®, and use other computer or electronic devices in the operation of your Beyond Food Mart®. We may at any time require you to link to or attach electronic equipment or devices we require you to acquire to any of the equipment or devices in your Beyond Food Mart®. You must make space available in the location(s) we select in your Beyond Food Mart® for any additional equipment or devices as we require. We may also at any time require you to acquire, install, and use in your Beyond Food Mart® any software or other technological tools we designate.

All the data produced by or on the BOS, the SSCS System, your POS System(s), or any other electronic equipment or devices you use in your Beyond Food Mart® belongs to us and we may independently access and retrieve any and all of that data and use it in any way we choose at any time, including by copying the software, so long as we comply with privacy and other laws related to the customer information. You may not take any action to prevent our access to that data and must take all action necessary to permit us to access the data, download it, and save it at all times. You may not use any of the data except as permitted by your Franchise Agreement. We may identify your Beyond Food Mart® as a source of the data.

Brand Quality Assurance Manual

We will give you electronic access to the Beyond Manual through the franchisee only section of our Website, using a unique user name and password, for the duration of your Franchise Agreement. The Beyond Manual includes mandatory and suggested furnishings, fixture, and equipment lists and specifications, appearance and design criteria, inventory lists, practices, procedures, policies, and performance criteria, standards, and requirements and other information you must or may use in the operation of your Beyond Food Mart®. The Beyond Manual is highly confidential and you must maintain its confidentiality, use it only in connection with the operation of your Beyond Food Mart®, and prevent unauthorized persons from obtaining access to it. The Beyond Manual remains our property and we may revise or amend any or all of it at any time so long as no modification materially diminishes your rights under the Franchise Agreement. The Beyond Manual Table of Contents is attached as Exhibit B.

Training Program

Before you open your Beyond Food Mart®, we will train a total of up to three people, which may include one or two of you if you are individuals and/or one or two of your managerial employees who will operate your Beyond Food Mart®, so long as each of them has signed the form of confidentiality agreement we are then using. (Franchise Agreement, Section 7.1) You and the employees must complete this training to our satisfaction. (Franchise Agreement, Section 7.1) You must pay the compensation of your trainees during the training period and any travel, lodging, and similar living expenses related to their attendance at the training. If we train fewer than three people during the initial training period, we will provide the initial training for the number of other managerial employees required to reach a total of three trainees without charge during the first 12 months after the initial training. We will also train additional managerial employees who will operate your Beyond Food Mart® as you request so long as you are not then in default under any agreement with us and they have signed the form of confidentiality agreement we are then using, but you must pay us our standard fee (presently $10,000 for a complete training course), whether the training occurs prior to opening or during your operation of your Beyond Food Mart®. We currently charge $250 a day for additional training, but we may change that charge at any time.

If you add any personnel to your Beyond Food Mart® staff, you must train those persons. If they are to have managerial responsibility for your Beyond Food Mart®, you must have them trained by us.

The training program consists of at least 40 hours of training on the SSCS System and 68 hours of store operation training some of which you do online and some of which is conducted during weekdays over two consecutive weeks and including one overnight shift from 11 PM to 7 AM. The training is conducted at SSCS' San Francisco training facility or online by SSCS and online and at a Beyond Food Mart® store operated by the Corporation or one of our franchisees, including you if you have other Beyond Food Mart® locations. The training will start no less than three weeks before the anticipated opening of your Beyond Food Mart®. We conduct training once every four months.

Our instructors are individuals employed by us, the Corporation, or another of our affiliates with at least 10 years experience running a convenience store or one of our franchisees who is similarly qualified and qualified by us as a franchisee trainer.

The following table provides detailed information about the initial training programs for employees and managers, respectively. The table shows the amount of time ordinarily spent on each of the itemized subjects:

Subject	**Hours of Classroom/Online Training**	**Hours of On-The-Job Training**	**Location**
SSCS C-Store Software	40	0	SSCS Training Center, San Francisco, California or online
Introduction	1	N/A	Beyond Office
The Brand	1	N/A	Beyond Office
Operations	2	30	Two hours online; 25 hours at Corporation or franchised Beyond Food Mart® in Southern California
Pre-Opening	1	N/A	Online
Marketing and Advertising	1	N/A	Online

Subject	Hours of Classroom/Online Training	Hours of On-The-Job Training	Location
Customer Service	1	2	One hour online; two hours at Corporation or franchised Beyond Food Mart® in Southern California
Food Items Merchandising and Products	1	4	One hour online; four hours at Corporation or franchised Beyond Food Mart® in Southern California
Facilities and Equipment	1	4	One hour online; four hours at Corporation or franchised Beyond Food Mart® in Southern California
Sales Reports and Royalties	1	4	One hour online; four hours at Corporation or franchised Beyond Food Mart® in Southern California
Management	1	10	One hour online; ten hours at Corporation or franchised Beyond Food Mart® in Southern California
Quality Control	1	2	One hour online; two hours at Corporation or franchised Beyond Food Mart® in Southern California

ITEM 12. TERRITORY

You will not receive an exclusive territory. We, our affiliates, and other franchisees can establish and operate a Beyond Food Mart® or any other convenience store anywhere regardless of how close it is to your Beyond Food Mart®. You may also face competition from other franchisees, from outlets we or the Corporation own, or from other channels of distribution or competitive brands we control. We do not presently have any plans to operate a competing franchise system offering goods, products, or merchandise that are the same as or similar to those you sell at your Beyond Food Mart® but we are not prevented from doing so.

We or any of our other franchisees can solicit or accept orders from customers anywhere, but so can you. We and our affiliates also may use alternative channels of trade to sell the products and merchandise you sell in your Beyond Food Mart®, including on the internet, through catalogue sales, or by telemarketing, regardless of how those other channels of trade may impact sales at your Beyond Food Mart®.

Your Franchise Agreement gives you the right to operate one Beyond Food Mart® only at a single location. The specific street address of your Beyond Food Mart® location will be set forth in Exhibit A to your Franchise Agreement either when you sign the Franchise Agreement if it is known or after you select and acquire or lease a suitable location. You must operate your

Beyond Food Mart® only at the location you select and we approve and you may not relocate your Beyond Food Mart® without first obtaining our written consent and our approval of the new location, neither of which we are required to grant. You do not have any right to relocate your Beyond Food Mart® and you do not have any right to establish additional outlets, acquire additional franchises, or establish or operate another Beyond Food Mart®. You are not prohibited from soliciting orders or accepting customers from anywhere, you can use the internet for that purpose, and you can make deliveries anywhere. Sales through the internet and for delivery will all be included in your Gross Revenue for all purposes.

There is no minimum sales quota.

ITEM 13. TRADEMARKS

We grant you the right to operate under the name "Beyond Food Mart" and to use in connection with your Beyond Food Mart® those trade or service marks we designate for use by all franchised Beyond Food Mart® locations, which we may alter or change at any time. Presently those other trade and service marks include "Fountain Falls®", "Glacial Aisle®", and "Frosty Peak®". All of those are licensed to us by the LLC.

The LLC has registered the following trademarks on the Principal Register:

Mark	Registration or Application No.	Registration or Filing Date
BEYOND FOOD MART	4947368	April 26, 2016
Beyond Food Mart®	5036432	September 6, 2016
Fountain Falls®	5036516	September 6, 2016
Frosty Peak®	5022614	August 16, 2016
Glacial Aisle®	5036517	September 6, 2016

The LLC has filed all required affidavits and renewals for the registered trademarks and is required by its license agreement with us to file all required affidavits and renewals as they become due. We will require you to use the registered trademarks and we may also require you to use other trade and service marks we, the LLC, or other affiliates of ours own that we have not yet registered with the United States Patent and Trademark Office.

You must follow our rules when you use the Name or any of the Marks. You may not use the Name or any of the Marks as part of an entity name or with modifying words, designs, or symbols except as we designate. You may not use the Name in any fictitious business or assumed name. You may not use the Name in any domain name or email address. You may not use the Name or any of the Marks in any manner not authorized in writing by us or in connection with the sale of any goods, merchandise, products, or services except those we specifically authorize for your Beyond Food Mart®. (Franchise Agreement, Article 1)

Under a license agreement between it and LLC, the Corporation will use for any Beyond Food Mart® it develops and operates the Name and the same marks you will use, including the Marks. Those outlets are not franchised and are not subject to the same terms and restrictions as your franchised Beyond Food Mart®.

As described in Item 1, one of the two Beyond Food Marts the Corporation sold in transactions exempt from the registration requirements of the California Franchise Investment Law and the disclosure requirements of the FTC Rule was taken over by the landlord for a period of time during which it retained some of the Marks and trade dress but was not operating under a Franchise Agreement. The franchisee was later restored to possession of that Beyond Food Mart® but then, as required by a Settlement Agreement between the franchisee and the buyer, sold it to an affiliate of the landlord that entered into a Franchise Agreement with us but has breached that Franchise Agreement by, among other things, failing to use the Name and Marks as required and failing to comply with the inventory and other operational requirements of the Franchise Agreement. The factual background is described in Item 1 and the lawsuit we filed in March 2018 to terminate the Franchise Agreement is described in Item 3.

The LLC's application to register the word "Beyond" as a trademark was opposed by Bed, Bath, and Beyond, Inc. Rather than contest the opposition, the LLC entered into a settlement agreement with Bed, Bath, and Beyond, Inc. That agreement permits the LLC to use, license us to use, and have us license to you the marks that you are required to use.

There are no determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending interference, opposition or cancellation proceedings or pending material litigation involving the Marks.

We have an agreement with the LLC regarding our use of the Name and Marks, and the other intellectual property that comprises what we refer to as the Beyond Food Mart® Method (the "IP Agreement"). The IP Agreement gives us the right to license the Name, Marks, and Beyond Food Mart® Method to you and prevents the LLC from using or permitting any third party to use the Name, Marks, or Beyond Food Mart® Method in a way that violates your rights under the Franchise Agreement. Other than the agreement with Bed, Bath, and Beyond, Inc. and the IP Agreement, there are no other currently effective agreements that significantly limit our right to use or license the use of the Marks in a manner material to the franchise.

You must notify us immediately of any unauthorized use of our Name or any of our Marks or any name or mark confusingly similar to the Name or any of the Marks or any claim or litigation against you involving the Name or any of the Marks of which you learn. We and the LLC have the right to control any administrative proceedings or litigation involving the Name or any of the Marks and you must cooperate fully in those actions. (Franchise Agreement Section 1.4E). We will indemnify you from all out of pocket costs and expenses we determine are reasonable and necessary that you incur in any action or proceeding brought against you by any party other than us arising out of your authorized use of the Beyond Name or any of the Beyond Marks in accordance with this Franchise Agreement, which will not include attorneys' fees or any expenses you incur after you should have given us notice.

You must modify or discontinue use of the Name or any of the Marks as we require. We may modify or discontinue use of the Name or any of the Marks or adopt new names or marks in our discretion. If we do that, you may have to pay some or all of the cost of replacing items that use the Names or Marks that have been replaced. (Franchise Agreement, Section 1.3)

We do not know of any infringing uses that could materially affect your use of the Marks we license you to use.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

You do not receive any right to use any item covered by a patent. We claim all rights and interests, including all copyrights, to the information contained in the Beyond Manual, any other manuals we provide you related to the Beyond Food Mart® Method, all advertising materials, and all our communications to you in any medium that describe or set forth our standards, requirements, operating procedures, or policies relating to the operation of a Beyond Food Mart® franchise, as well as any revisions and additions to these materials. (Franchise Agreement Articles 1, 8, and 14) We have not registered the copyrights in any of those materials.

The information contained in the Beyond Manual and the information we give you during training for and operation of your Beyond Food Mart® is confidential and proprietary information owned by us or the LLC. You and your employees who need to have it and have signed the form of confidentiality agreement we are then using may use that confidential and proprietary information only in connection with the operation of your Beyond Food Mart® as permitted by the Franchise Agreement and only in the manner permitted by the Franchise Agreement, as described in more detail in Item 11. (Franchise Agreement, Articles 1, 7, and 8)

You must deliver written notice to us promptly upon learning about any unauthorized use of our copyrights or proprietary information. We are not obligated to take any action but will take any action we think appropriate. (Franchise Agreement, Articles 1 and 13)

All names, marks, ideas, concepts, innovations, or improvements relating to a Beyond Food Mart®, the Beyond Food Mart® Method, or the convenience store business that you develop during the term of the Franchise Agreement will become our property. All of them become our trade secrets and proprietary information and we have the sole right to register those names, marks, ideas, concepts, innovations, or improvements under applicable patent, trademark, copyright, or other intellectual property law in our name or in the name of any of our affiliates and to otherwise protect them. You must promptly disclose to us any changes or improvements you propose to make in the Beyond Food Mart® Method or any of the furniture, fixtures, or equipment in your Beyond Food Mart® and you may not use any of them except as we expressly permit you to use them. (Exhibit J: Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment)

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require you personally to be present in and operate your Beyond Food Mart®. But you or if you are an entity a person who owns no less than 10% of your equity who has been approved by us must at all times be personally responsible for the day to day oversight and administration of your Beyond Food Mart® and visit it and review its appearance and the conduct of business at it no less than once each calendar week. If you are not personally present in and running your Beyond Food Mart® on a daily basis, it must be managed on a daily basis by someone who has successfully completed our training to our satisfaction and remains qualified to be a person responsible for the day to day operation of the Beyond Food Mart® (an "Approved Manager"). If you are not trained by us and personally present in and operating Your Beyond Food Mart®, an Approved Manager must be present at your Beyond Food Mart® and actively engaged in the on-site operation of the Beyond Food Mart® no less than 50 weeks of each calendar year, no less than 40 hours each week, Monday through Friday between 8 AM and 5 PM local time, and supervise, oversee, administer, and manage operation of the Beyond Food Mart® during those hours.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer and sell only those goods and services we have designated or approved for your Beyond Food Mart® as described in Item 8 above. You must stock and sell all the products, goods, and merchandise we designate for your Beyond Food Mart®. To address the tastes of particular communities, some of those food products or beverages may differ from those required or permitted to be sold by other Beyond Food Mart® locations. There are no limits on our right to change, add to, or eliminate products, goods, or merchandise or services you are permitted or required to sell at your Beyond Food Mart®. You may not display, carry, or sell any illegal or pornographic items or services.

Except as described in the preceding paragraph and in Item 12, there are no restrictions regarding customers to whom you may sell.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	**Section in the Franchise Agreement**	**Summary**
a. Length of the franchise term	Section 2.1	20 years.
b. Renewal or extension of the term	None	
c. Requirements for you to renew or extend	Not applicable	

Provision	Section in the Franchise Agreement	Summary
d. Termination by you	Article 24	You may not initiate any action to terminate the Franchise Agreement because of our default unless you have delivered a written detailed description of your claims and then met and conferred with us during the next 45 days to attempt to resolve them. After that, you may terminate the Franchise Agreement if we default in the performance of any material obligation under it and that default is not cured within 60 days after we receive a written notice of the default from you, or, if the default is not susceptible of cure within a 60 day period, if corrective action has not been commenced within the 60 day period.
e. Termination by us without "cause"	None	
f. Termination by us with "cause"	Article 25	We can terminate only if you default.

Provision	Section in the Franchise Agreement	Summary
g. “Cause” defined — defaults that can be cured	Sections 25(a), 25(b), 25(c), 25(d), 25(g), 25(j), 25(k), 25(n), 25(o), 25(r), 25(s), 25(t), 25(v), and 25(w)	Not curing within 3 days after notice any failure to adhere to standards, rules, and procedures, trade identity use requirements, or menu requirements; not curing within 5 days after notice: failure to pay sums due with late charges, make any report, deliver evidence of required insurance coverage, replace cancelled insurance, comply with law, obtain release of writ; failure to cure within 5 days use of any reporting or data systems other than the POS System we designate for your use; failure to satisfy final judgment against your Beyond Food Mart® or its assets for 30 days without posting bond; entry of an order for relief in involuntary bankruptcy or similar case or appointment of receiver remaining in effect for 60 consecutive days; failure to meet milestones and open replacement location within 270 days after first learning of unpreventable loss of right to occupy your Beyond Food Mart® location; failure to cure within time permitted any default under any other agreement with us, any of our affiliates, or any third party related to your Beyond Food Mart® business or its assets; failure to cure within 10 days after notice any default in performance under Franchise Agreement not mentioned previously or in item (h) below.

Provision	Section in the Franchise Agreement	Summary
h. "Cause" defined — non-curable defaults	Sections 9.1, 25(e), 25(f), 25(h), 25(i), 25(l), 25(m), 25(p), 25(q), 25(t), 25(u), 25(x), 25(y), and 25(z)	Failure to locate, lease, and begin operation of your Beyond Food Mart® within 6 months after you take possession of the franchise location; violation of the restrictions on use of our trade identity; disclosure of any part of the Beyond Manual or any of our proprietary information; failure to enter any item of Gross Revenue in the POS System; submission of three or more reports that audit(s) shows to understate Gross Revenue by 2% or more; failure to have your trained manager present at your Beyond Food Mart® as required; assignment, transfer, or encumbrance of the Franchise Agreement or business in violation of restrictions and requirements; cessation of operations or failure to open your Beyond Food Mart® for two days in succession unless excused; failure to pay monies when due to us on three or more occasions in any 12 month period; failure to comply with all other terms of Franchise Agreement on three or more occasions in any calendar year or more than 10 occasions throughout the term; commencement of voluntary bankruptcy or similar case or consent to appointment of receiver or similar official, failure to pay debts as due, or similar occurrences; act or conduct that reflects materially and unfavorably on us, our trade identity or reputation, or the business; making any material misrepresentation to us; or your Beyond Food Mart® receives a failing score on any three reviews in a nine month period or fails to meet the quality control standards set forth in the Franchise Agreement on three or more occasions in any nine month period.

Provision	Section in the Franchise Agreement	Summary
i. Your obligations on termination/ non-renewal	Articles 26 and 27	You must cease operation of your Beyond Food Mart® business, de-identify, pay us all money you owe us, lease us the Franchise Location if you own it or assign us any lease of your Franchise Location if we choose to take it over, sell us certain assets if we choose to purchase them, return the Beyond Manual and all our branded material and other confidential information; assign your telephone numbers to us; stop using any element of the System; and otherwise wind up the franchised business and our relationship as required by Section 27 of the Franchise Agreement. We can do some of these things if you fail to do them.
j. Assignment of contract by us	Section 20.5	We have the unrestricted right to assign our interest in the Franchise Agreement or the System to any person or entity who expressly assumes those obligations in writing at the time of the transfer. We may encumber all or any part of our interest in the Franchise Agreement or the System at any time.

Provision	Section in the Franchise Agreement	Summary
k. "Transfer" by you — defined	Section 20.3	Any partial or complete assignment, sale, transfer, or encumbrance or any interest in your Franchise Agreement, your Beyond Food Mart® or any of its assets, and certain changes in ownership of you if you are an entity. Includes any transfer to a corporation, partnership, limited liability company, or other entity; a transfer to a trust, including a family trust; any conversion, dissolution, merger, consolidation, or other reorganization, or sale or other transfer of any shares or membership units to a person or entity that is not an existing shareholder or member, or any sale of assets or change in the chief executive, operating, or financial officer or any manager; any change in or withdrawal of any partner or conversion, merger, consolidation, or other reorganization or any dissolution of the partnership; and any transfer from one person to any other.
l. Our approval of a transfer by you	Section 20.1	No transfer without our prior written consent, but we will not unreasonably withhold consent.

Provision	Section in the Franchise Agreement	Summary
m. Conditions for our approval of the transfer	Article 21; Sections 20.1 and 20.2	Transferee is approved and trained by us; you are not in default and do not default prior to transfer; you pay us and our affiliates and all vendors all money due, including a transfer fee; transferee signs our then-current Franchise Agreement modified to be for the remaining term of your Franchise Agreement; transferee signs all other agreements we then require franchisees or their owners to sign; you sign the form of general release we are then using unless law prohibits; you transfer all the agreements related to your Beyond Food Mart® and all of its assets to the transferee. See noncompetition agreement described in item r below. If you transfer to an entity you own, you must own a controlling interest in the entity and agree to be its principal executive and sign our form of personal guaranty.
n. Our right of first refusal to acquire your business	Article 22 and Section 4.2	We or our nominee may acquire your Beyond Food Mart® and, if you own and propose to sell it, the real property where it is located on the same terms as any third party offer you are willing to accept except that we may substitute cash for any consideration other than cash.
o. Our option to purchase your business	Sections 27.1(B) and 27.1(C)	On termination or expiration, we may purchase all or any part of the physical assets of your Beyond Food Mart®.

Provision	Section in the Franchise Agreement	Summary
p. Your death or disability or owner deadlock	Article 23	If you die or are disabled as defined in the Franchise Agreement or if there is a deadlock among your owners, we can require sale of your Beyond Food Mart® to an approved buyer within 180 days for the best offer obtained within 120 days (subject to our right of first refusal as described above). During any period of your incapacity and/or until the business is sold, we can place a manager in your Beyond Food Mart® and you must pay us the manager's salary, transportation, lodging and related living expenses, and our management administration fee.

Provision	Section in the Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 13.1	Neither you, anyone with a direct or indirect ownership interest in you, any of your Approved Managers, nor any of your affiliates or the officers, directors, managers, shareholders, members, partners, or owners of your affiliates or any others in direct or indirect concert or participation with you, your owners, your Approved Manager, your affiliates, or the officers, directors, managers, shareholders, members, partners, or owners of your affiliates may directly or indirectly (i) divert or attempt to divert or thwart any present or prospective patron of any Beyond Food Mart® or do anything that directly or indirectly may damage or reduce the goodwill associated with the System or the Name or Marks; (ii) cause or encourage any employee of any Beyond Food Mart® to terminate that employment; (iii) own any interest in, be employed by, provide advice or consultation to, or operate any other convenience store or similar facility or business, or (iv) have any interest in any entity that directly or indirectly owns any interest in, is employed by, provides advice or consultation to, or operates any convenience store or similar facility or business, at any time during the term of the Franchise Agreement without our prior written consent.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	

Provision	Section in the Franchise Agreement	Summary
s. Modification of the Franchise Agreement	Sections 8.1B and 32.3	No modifications unless signed by you and us, but we may modify the Beyond Manual unilaterally.
t. Integration/merger clause	Section 32.4	Only the terms of the Franchise Agreement are binding (subject to state law). Any promises outside this Franchise Disclosure Document and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 30.1	None.
v. Choice of forum	Section 32.10	Litigation must be in Riverside County, California, subject to state law.
w. Choice of law	Section 32.9	The law of the state where your franchise location is situated.

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote Beyond Food Mart® franchises.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mr. Mark Sater, 4300 Edison Avenue, Chino, CA 91710, telephone (909) 465-4101, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Franchises and Company Outlets in the United States and its Territories

Table No. 1
Systemwide United States Outlet Summary
For Fiscal Years 2015 to 2017

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	0	1	+1
	2016	1*	2	+1
	2017	2	4	+2
Company-Owned	2015	0	0	0
	2016	0	0	0
	2017	0	1	+1
Total Outlets	2015	0	1	1
	2016	1	2	+1
	2017	2	5	+3

*This location was taken over by the landlord for a period of time during which it was not operated pursuant to the Franchise Agreement but continued to display some of the Marks and trade dress. The location was subsequently restored to the franchisee and operated pursuant to the Franchise Agreement but in 2017 was sold to an affiliate of the landlord, which entered into a new Franchise Agreement with us. The new franchisee breached that Franchise Agreement. The factual background is described in Item 1 and the lawsuit we filed in March 2018 to terminate the Franchise Agreement that resulted in the location ceasing to be a Beyond Food Mart® in 2018 is described in Item 3.

Table No. 2
Transfers of United States Outlets from Franchisees to New Owners (other than the Franchisor)
For Fiscal Years 2015 to 2017

State	Year	Number of Transfers
CA	2015	0
	2016	1**
	2017	1
Total	2015	0
	2016	1**
	2017	1

**The original franchisee of one of the Beyond Food Mart® franchises the Corporation sold in a transaction exempt from the registration requirements of the California Franchise Investment

Law and the disclosure requirements of the FTC Rule transferred the franchised Beyond Food Mart® from one entity he owned to another.

Table No. 3
Status of United States Franchised Outlets
For Fiscal Years 2015 to 2017

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
CA	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	0***	2
	2017	2	2	0	0	0	0	4
Totals	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	0***	2
	2017	2	2	0	0	0	0	4

***As described above, during 2016, the landlord of a franchise sold by the Corporation in 2015 in a transaction exempt from the registration requirements of the California Franchise Investment Law and the disclosure requirements of the FTC Rule seized the location and operated it without a Franchise Agreement for a period of time before it was restored to the franchisee who sold it to an affiliate of the landlord in 2017 (as required by a Settlement Agreement between the franchisee and the buyer), which entered into a new Franchise Agreement with us. The new franchisee breached that Franchise Agreement. The factual background is described in Item 1 and the lawsuit we filed in March 2018 to terminate the Franchise Agreement that resulted in the location ceasing to be a Beyond Food Mart® is described in Item 3.

Table No. 4
Status of Company-Owned Outlets in the United States
For Fiscal Years 2015 to 2017

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
CA	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	1	0	0	0	1
Totals	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	1[1]

[1.] The Company has contracted to sell the assets of this Beyond Food Mart® to a franchisee who has entered into a Franchise Agreement with us but the sale has not closed.

Table No. 5
Projected Openings in the United States as of December 31, 2017

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	1	3	0
Total	1	3	0

As of December 31, 2017 our franchisees were:

3 Great Brothers Inc, a California corporation
16311 Espola Road
Poway, California 92064

Cedar Landmark, Inc., a California corporation
4300 Edison Avenue
Chino, California 91710
(Cedar Landmark, Inc. is owned by Mark Sater and Nick Fahed)

EMJ Investment, a California corporation
14088 Euclid Avenue
Chino, California 91710

Palm Spring Inc., a California corporation
1761 South Escondido Boulevard
Escondido, CA 92025

Riverwalk Petroleum, Inc., a California corporation
4240 Riverwalk Parkway
Riverside, California 92505

We do not have any franchisee who had a franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within ten weeks of the issuance date of this disclosure document. But as disclosed above, we filed suit to terminate one Franchise Agreement and that franchisee has entered into a settlement agreement with us terminating the franchise. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

Confidentiality

You may wish to speak with current or former franchisees but be aware that not all of our franchisees will be able to communicate with you. Sometimes franchisees leaving the System must sign a confidentiality agreement that prohibits them from discussing their experience with prospective franchisees. During the last three fiscal years, we have not signed that kind of confidentiality agreement with any current or former franchisees. Our Franchise Agreement prohibits a franchisee from discussing the franchise, its operation, the franchisee's operating experience, or us or any of our affiliates with anyone unless we have certified that the inquirer is a prospective franchisee.

Franchisee Associations

We do not have any trademark specific franchisee associations.

ITEM 21. FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document as Exhibit C are our audited balance sheets at December 31, 2017 and the related statements of income, retained earnings and cash flows for the period ending December 31, 2017.

ITEM 22. CONTRACTS

The following contracts comprise the following exhibits to this Franchise Disclosure Document:

Exhibit D	Franchise Agreement
Exhibit E	Loan and Security Agreement
Exhibit F	Secured Revolving Promissory Note
Exhibit G	Deed of Trust with Assignment of Rents and Fixture Filing
Exhibit H	Conditional Assignment of Leasehold Interests and Landlord's Consent and Waiver
Exhibit I	Lender's Consent, Fixture Waiver, and Nondisturbance Agreement
Exhibit J	Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment
Exhibit K	Consent of Spouse or Domestic Partner
Exhibit L	General Release and Covenant Survival Acknowledgement
Exhibit M	Franchisee Certification
Exhibit N	Franchisee Information Sheet
Exhibit O	State Addendum

ITEM 23. RECEIPTS

A form for your use to acknowledge your receipt of this Franchise Disclosure Document, including all exhibits, is attached as Exhibit P. You must date and sign one copy of the Receipt and deliver it to us.

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS

AND

AGENTS FOR SERVICE OF PROCESS

Note: Agents for service of process are located at the same address as the state regulatory authorities unless otherwise noted below.

State	State Administrator	Agent for Service of Process
California	Department of Business Oversight 1515 K Street, Suite 200 Sacramento, CA 95814-4052 866-275-2677	Mark Sater 4300 Edison Avenue Chino, CA 91710
Florida	Florida Department of Agriculture and Consumer Services Plaza Level 10, The Capitol 400 South Monroe Street Tallahassee, FL 32399-0800 800-435-7352	Secretary of State Division of Corporations Clifton Building 2661 Executive Center Circle Tallahassee, FL 32301 P.O. Box 6327 Tallahassee, FL 32314 850-245-6000
Illinois	Illinois Attorney General Franchise Bureau 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General 500 South Second Street Springfield, IL 62706
Maryland	Maryland Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Securities Division 200 St. Paul Place Baltimore, MD 21202
Michigan	Department of Licensing and Regulatory Affairs Corporation, Securities and Commercial Licensing Bureau 2501 Woodlake Circle Okemos, MI 48864 PO Box 30018 Lansing, MI 48909 517-241-9202	Corporations, Securities and Land Development Bureau Michigan Department of Consumer and Industry Services 6546 Mercantile Way P.O. Box 30222 Lansing, MI 48909
New York	Office of the Attorney General Investor Protection Bureau 120 Broadway, 23rd Floor New York, NY 10271 212-416-8222	New York Secretary of State 99 Washington Avenue Albany, NY 12231

State	State Administrator	Agent for Service of Process
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities 350 Winter Street NE Room 410 Salem, OR 97301-3881 P.O. Box 14480 Salem, OR 97309-0405 503-947-7862	Secretary of State Corporation Division 255 Capitol Street NE Suite 151 Salem, OR 97310-1327
Rhode Island	State of Rhode Island and Providence Plantations Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920	Director, Department of Business Regulation 1511 Pontiac Avenue Cranston, RI 02920
Virginia	Commonwealth of Virginia State Corporation Commission Division of Securities & Retail Franchising P.O. Box 1197 Richmond, Virginia 23218 804-371-9051	Virginia State Corporation Commission P.O. Box 1197 Richmond, Virginia 23218
Washington	Department of Financial Institutions Securities Division 150 Israel Road, SW PO Box 9033 Tumwater, WA 98507-9033 360-902-8760	Administrator of the Washington Department of Financial Institutions 150 Israel Road Tumwater, WA 98501

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KATZ | CASSIDY
AN ACCOUNTANCY CORPORATION

Neal M. Katz, CPA
Barbara Ann Barschak, CPA
Mark K. Chapman, CPA

INDEPENDENT AUDITOR'S REPORT

To the Stockholders and Board of Directors
Beyond Franchising Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Beyond Franchising Inc. (a California corporation), consisting of the balance sheet as of December 31, 2017, and the related statements of income, stockholders' equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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KATZ | CASSIDY
AN ACCOUNTANCY CORPORATION

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beyond Franchising Inc. as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Katz Cassidy

Katz Cassidy
An Accountancy Corporation
Los Angeles, California
September 3, 2018

BEYOND FRANCHISING INC.

BALANCE SHEET

DECEMBER 31, 2017

Assets

Current Assets		
Cash	$	19
Accounts receivable, net of allowance for doubtful accounts of $211,000		82,172
Legal settlement receivable		421,000
Supplies inventory		45,371
Current portion of note receivable, franchisee		11,079
Loan receivable, related party		5,700
Total Current Assets		565,341
Property and Equipment, net of accumulated depreciation		11,450
Other Assets		
Note receivable, franchisee, net of current portion		144,032
In-progress costs for locations in development		41,085
Total Other Assets		185,117
Total Assets	$	761,908

Liabilities and Stockholders' Equity

Current Liabilities		
Accounts payable	$	18,694
Current portion of deferred franchise fee revenue		7,500
Security deposit liability		15,000
Total Current Liabilities		41,194
Long-Term Liabilities		
Deferred franchise fee revenue, net of current portion		103,416
Notes payable, related parties		736,597
Note payable, stockholder		31,543
Total Long-Term Liabilities		871,556
Total Liabilities		912,750
Stockholders' Equity		
Common stock: 100,000 shares authorized; 20,000 shares issued and outstanding		200,000
Accumulated deficit		(350,842)
Total Stockholders' Equity		(150,842)
Total Liabilities and Stockholders' Equity	$	761,908

The accompanying notes are an integral part of these financial statements.

BEYOND FRANCHISING INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2017

Revenue			
Franchise fees	$ 7,917		
Royalties	191,635		
Total Revenue		$ 199,552	100.0 %
Operating Expenses			
Advertising and promotion	$ 155,337		
Bad debts	211,000		
Depreciation	2,424		
Licensing fees	19,955		
Office expense	3,165		
Professional fees	102,934		
Repairs and maintenance	7,032		
Technology	10,990		
Training and development	35,241		
Total Operating Expenses		548,078	274.7
Loss from Operations		(348,526)	(174.7)
Other Income (Expense)			
Legal settlement income	$ 13,173		
Improvement loan forgiveness expense	(13,215)		
Interest income	2,136		
Interest expense	(13,487)		
Other income	9,877		
Total Other Income (Expense)		(1,516)	(0.7)
Net Loss Before Income Taxes		(350,042)	(175.4)
Income Taxes		800	0.4
Net Loss		$ (350,842)	(175.8) %

The accompanying notes are an integral part of these financial statements.

BEYOND FRANCHISING INC.

STATEMENT OF STOCKHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

	Common Stock	Accumulated Deficit	Total
Balance, December 31, 2016	$ -	$ -	$ -
Common stock issued	200,000		200,000
Net loss	-	(350,842)	(350,842)
Balance, December 31, 2017	$ 200,000	$ (350,842)	$ (150,842)

The accompanying notes are an integral part of these financial statements.

BEYOND FRANCHISING INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

Cash Flows from Operating Activities:		
Net loss	$	(350,842)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debts		211,000
Depreciation and amortization		2,424
Increase in:		
Accounts receivable		(293,172)
Legal settlement receivable		(421,000)
Supplies inventory		(45,371)
Loan receivable, related party		(5,700)
In-progress costs for locations in development		(196,196)
Accounts payable		18,694
Security deposit liability		15,000
Deferred franchise fee revenue		110,916
Net Cash Used in Operating Activities		(954,247)
Cash Flows from Investing Activities:		
Purchases of property and equipment		(13,874)
Cash Flows from Financing Activities:		
Proceeds from notes payable, related parties		735,738
Proceeds from note payable, stockholder		31,543
Proceeds from issuance of common stock		200,000
Net Cash Provided by Financing Activities		967,281
Net Decrease in Cash		(840)
Cash - Beginning		859
Cash - Ending	$	19

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for:		
Income taxes	$	800
Non-cash investing and financing activity:		
Conversion of in-progress costs to note receivable, franchisee	$	155,111

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Beyond Franchising Inc. (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

Nature of Business

The Company was formed on July 8, 2016 in the state of California. The Company is the franchisor of Beyond Food Mart convenience stores.

Basis of Presentation

The accompanying financial statements are presented on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

Accounts Receivable

It is the practice of the Company to provide for uncollectible accounts in the year the accounts are determined to be uncollectible. Based on management's evaluation of accounts receivable, an allowance for doubtful accounts of $211,000 has been recorded at December 31, 2017.

Inventory

Inventory consists of branded paper and plastic goods which are valued at the lower of cost or market, with cost being determined by the average cost method.

Property and Equipment

Property and equipment are stated at cost. Depreciation has been provided for using the straight-line method over the estimated useful lives of the assets, generally five years for most assets.

Revenue

The Company receives revenue from the sale of franchises and from royalties based on a percentage of franchisee sales, currently 7%, subject to a minimum monthly royalty of $2,000. Royalty income is recognized as franchisee sales occur. Franchisees who meet certain qualifications specified in the franchise agreement are entitled to a royalty rebate of 1.5% of sales. Royalty revenue for the year ended December 31, 2017 has been reduced by rebates of $54,146 granted to franchisees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue (Continued)

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers." In April 2016, the FASB issued ASU No. 2016-10, "Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing." These pronouncements supersede previous revenue recognition guidance and are effective for non-public companies for fiscal years beginning after December 15, 2017. Early adoption is permitted. The Company has elected to early adopt ASU 2014-09 and ASU 2016-10 as of the year ended December 31, 2017 (its first year of operations). ASU No. 2016-10 requires revenue from the licensing of symbolic intellectual property to be recognized over the period of time during which the franchisee has access to such intellectual property. Accordingly, franchise fee revenue is recognized over the life of the franchise agreement. The initial franchise fee is $30,000. Currently, the Company's franchise agreement provides for a term of twenty years with no option to renew. The franchise agreements assigned to the Company as of January 2017 (Note 2) provide for a term of fifteen years with no option to renew.

Advertising Costs

The Company expenses advertising costs as they are incurred. Advertising expense for the year ended December 31, 2017 was $155,337.

Research and Development

Costs relating to designing and developing new products which will be used by the Company's franchisees are expensed as research and development as incurred.

Income Taxes

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be classified as a Subchapter S corporation for federal and state income tax purposes. The income or loss of the Company is included in the federal and state income tax returns of the stockholders. California taxes the net income of Subchapter S corporations at a rate of 1.5%, subject to a minimum tax of $800. Accordingly, the Company's financial statements include a provision for California income taxes only.

Concentrations of Credit Risk

The Company maintains its cash with various commercial banks which are insured up to $250,000 per bank by the Federal Deposit Insurance Corporation. At times, account balances may exceed insured limits. The Company has not experienced any losses on these accounts, and management believes the Company is not exposed to any significant risk related to its cash accounts.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. RELATED PARTY TRANSACTIONS

The Company is related by common ownership to the following entities:

Beyond International, LLC

Beyond International, LLC (BI) owns the Beyond Food Mart trade name, trademarks and other intellectual property (IP) used in Beyond Food Mart locations. BI licenses the IP to the Company and allows the Company to sublicense the IP to franchisees for a fee of 10% of the Company's annual gross revenue. During the year ended December 31, 2017, the Company accrued license fees of $19,955 owing to BI, which remain payable at December 31, 2017.

Prior to and shortly after the formation of the Company, BI sold four franchises. Two of these sales were exempt from the Federal Trade Commission Franchise Rule and the California Franchise Investment Law. BI assigned its interest in its franchise agreements for the two exempt offerings to the Company effective January 2017, and assigned its interest in the other two franchises to the Company effective January 5 and June 7, 2017, respectively, and the Company accepted responsibility for performance of all franchisor obligations related to the agreements, except for any liability related to the two sales for which exemptions were not perfected. BI has indemnified the Company for any liability arising from the two sales that have not yet been qualified as exempt.

BI has directly paid certain costs and expenses of the Company and it transferred certain receivables and payables to the Company with the assignment of the franchise agreements. At December 31, 2017, the Company has a revolving note payable to BI totaling $638,440, including interest at 3.5% per annum. The note matures on August 31, 2023. Interest expense related to this note was $11,256 for the year ended December 31, 2017.

Beyond Food Mart Inc.

Beyond Food Mart Inc. (BFMI) has received licensing rights from BI to develop Beyond Food Mart locations. BFMI may operate those locations as company-owned stores or sell the assets of the developed locations to buyers who enter into franchise agreements with the Company. Locations operated by BFMI are not subject to a franchise agreement and do not pay a franchise fee or royalties to the Company. At December 31, 2017, BFMI operates one Beyond Food Mart location.

BFMI has directly paid certain costs and expenses of the Company. At December 31, 2017, the Company has a revolving note payable to BFMI totaling $11,669, including interest at 3.5% per annum. The note matures on August 31, 2024. Interest expense related to this note was $200 for the year ended December 31, 2017.

Cedar Landmark Inc.

Cedar Landmark Inc. (CLI) is one of the Company's franchisees. CLI has advanced operating funds to the Company. At December 31, 2017, the Company has a revolving note payable to CLI totaling $86,488, including interest at 3.5% per annum. The note matures on August 31, 2024. Interest expense related to this note was $1,488 for the year ended December 31, 2017.

Included in accounts receivable at December 31, 2017 is $32,768 due from CL for franchise fees, royalties and other charges (Note 3).

2. RELATED PARTY TRANSACTIONS (Continued)

Alrahaman, LLC

Alrahaman, LLC (AL) owns certain real estate where BFMI may choose to build Beyond Food Mart locations that it will operate as company-owned stores or the assets of which it may sell as turn-key operations to buyers who enter into franchise agreements with the Company (see above). The Company has advanced operating funds to AL. At December 31, 2017, the Company has a loan receivable from AL totaling $5,700. The loan is non-interest bearing and is payable on demand.

Following is a summary of the notes payable to related parties at December 31, 2017:

Beyond International, LLC	$	638,440
Beyond Food Mart, Inc.		11,669
Cedar Landmark, Inc.		86,488
	$	736,597

3. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2017 consists of the following balances due from franchisees:

Application fees	$	3,000
Franchise fees		90,000
Security deposits		15,000
Royalties		168,545
Other		16,627
		293,172
Allowance for doubtful accounts		(211,000)
	$	82,172

The Company has entered into an agreement with a franchisee which provides for the forgiveness of royalties owed by the franchisee if the franchisee opens a specified number of additional Beyond Food Mart locations within a specified period of time. Royalties of $156,555 due from this franchisee are included in the allowance for doubtful accounts at December 31, 2017.

Included in accounts receivable at December 31, 2017 is $32,768 due from a franchisee which is related to the Company by common ownership (Note 2).

4. LEGAL SETTLEMENT RECEIVABLE

The Company was involved in a dispute with a franchisee who acquired its store in a settlement agreement with one of the Company's former franchisees and entered into a franchise agreement with the Company. The Company filed suit against the franchisee for breaches of the franchise agreement and related note receivable for improvements financed by the Company (Note 5). A settlement agreement signed on June 27, 2018 provides for termination of the franchise agreement and a payment of $421,000 to the Company in satisfaction of all debts of the franchisee. The payment was received on June 27, 2018.

5. NOTE RECEIVABLE, FRANCHISEE

As provided in its franchise agreement, the Company will advance up to $650,000 to franchisees for financeable furnishings, fixtures and equipment (FFE), as defined in the franchise agreement, which for a turn-key location purchased from BFMI may have been paid to BFMI by the franchisee as part of the asset purchase price. Upon commencement of location development, the franchisee executes a revolving note secured by the financeable FFE and personally guaranteed by the owners of the franchisee. If the franchisee is in compliance with the franchise agreement and is current in its payments to its vendors and suppliers, the Company will forgive one-fifteenth or one-twentieth of the loan principal (depending on the length of the franchise term) and the related accrued interest at the end of each year of the franchise agreement.

At December 31, 2017, the Company has one note receivable from a franchisee totaling $155,111. The note bears interest at 2.57% per annum. During the year ended December 31, 2017, the Company forgave $2,136 of interest and $11,079 of principal under the provisions described above, for total improvement loan forgiveness expense of $13,215.

6. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2017 consists of the following:

Computers and software	$	13,874
Accumulated depreciation		(2,424)
	$	11,450

Depreciation expense for the year ended December 31, 2017 was $2,424.

7. LOAN PAYABLE, STOCKHOLDER

At December 31, 2017, the Company has a revolving note payable to one of its stockholders totaling $31,543, including interest at 3.5% per annum. The note matures on September 30, 2023. Interest expense related to this note was $543 for the year ended December 31, 2017.

8. FRANCHISE ACTIVITY

Following is a summary of franchise locations for the year ended December 31, 2017:

	Franchisee Owned	Owned by BFMI (Note 2)	Total
Locations at December 31, 2016	-	-	-
Assigned from BI (Note 2)	4	-	4
New	-	1	1
Terminated	(1)	-	(1)
Locations at December 31, 2017	3	1	4

9. ECONOMIC CONCENTRATIONS

The Company's royalty revenue is derived from 3 franchisees located in Southern California.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 3, 2018, the date on which the financial statements were available to be issued.

FRANCHISE AGREEMENT WITH EXHIBITS

BEYOND FOOD MART® FRANCHISE AGREEMENT

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BEYOND FOOD MART® FRANCHISE AGREEMENT

THIS BEYOND FOOD MART® FRANCHISE AGREEMENT dated for reference only as of the ____ day of _______________ 20___ (the "Reference Date") is made and entered into by and between Beyond Franchising Inc., a California corporation ("we", "us", or "our") and ____ ("you" or "yours") based on the following facts that form the basic premises of the agreement between you and us:

A. Through the expenditure of time and money we and our affiliate Beyond International, LLC (the "LLC") have developed, and continue to refine and improve, a distinctive business method (the "Beyond Business Method") for the establishment, operation, and marketing of high end convenience stores with a distinctive trade identity (individually a "Beyond Food Mart®" and collectively "Beyond Food Marts"). We are developing a system of Beyond Food Marts that offer a variety of groceries and packaged food, hot and cold prepared food, snacks, candy and other packaged goods, pastries, ice cream and frozen desserts, hot and cold beverages and soft drinks, toiletries, magazines and newspapers, hats, novelty items, sundries, and other products and services we designate or approve from time to time, including some private label merchandise, as well as beer and wine, tobacco products, and some inventory you select;

B. The Beyond Business Method includes (without limitation) our distinctive exterior and interior store design, décor, and color scheme; a specific set of fixtures, furnishings, and equipment; a particular store and merchandise layout and plan; standards and specifications for products and supplies; required inventory and merchandise, including (without limitation) inventory content, mix, and quantities; methods, standards, specifications, and procedures for operation of a Beyond Food Mart®; accounting and bookkeeping methods, procedures, and policies; training and assistance; marketing methods; and advertising and marketing programs;

C. Each Beyond Food Mart® is identified by proprietary trade names, service marks, trademarks, trade dress, logos, emblems, and other commercial symbols and identifiers owned by us or owned by the LLC and licensed to us with the right to sublicense to you as provided in this Agreement, including the proprietary name "Beyond Food Mart" (the "Beyond Name") and the registered trademarks depicted in Schedule 1 and other names and marks we may designate from time to time (collectively, the "Beyond Marks");

D. The value of the Beyond Food Mart® brand depends upon maintaining the quality, uniformity, predictability, and reliability that is achieved only by requiring strict adherence to our requirements, as modified when we determine it is necessary or desirable, and each franchisee's exacting compliance with the Beyond Business Method and dedication to observing all our instructions, adhering to all our requirements, and operating a Beyond Food Mart® that fits seamlessly into a uniform group of retail outlets identified by the Beyond Name and Marks (collectively, the "Beyond Store System");

E. Recognizing that you will have to adhere strictly to the Beyond Business Method, follow meticulously the procedures set forth in the confidential Beyond BQA Manual (as defined in Section 1.4B), and comply scrupulously with our specific standards, instructions, and requirements in all aspects of the development and operation of a Beyond Food Mart®, and being prepared to conform exactingly with the standards we set and follow exactly the instructions we provide and requirements we impose, all as changed by us as and when we determine it is necessary or desirable, you would like to be granted the right to operate a franchised Beyond Food Mart® in strict compliance with the Beyond Business Method at a convenience store location fitting our site selection criteria that you have selected or will select and that is or will be described in Exhibit A (the "Franchise Location"), using the Beyond Marks we designate for your Beyond Food Mart® from time to time and the Beyond Business Method and featuring all (and only) goods and services we designate or approve from time to time (respectively, the "Beyond Inventory" and the "Beyond Services"), all on the terms and conditions in this Franchise Agreement (the "Franchised Business"); and

F. We want to have another Beyond Food Mart® in the Beyond Store System so long as it is operated in concert with the principles set forth above and in compliance with this Franchise Agreement.

NOW, THEREFORE, in consideration of the covenants, terms, and conditions in this Franchise Agreement, and their performance or fulfillment, we and you hereby agree:

1.0 NAME, MARKS, AND TRADE SECRET LICENSE.

1.1 Grant of License. We grant you the right to operate the Franchised Business for the duration of this Franchise Agreement, subject to and on all the terms and conditions of this Franchise Agreement.

1.2 No Exclusivity. We do not grant you any exclusive or protected territory, area, or market or any other territorial rights of any kind. We or any person or entity in which we own any interest, which owns any interest in us, or which is owned by any person(s) or entity that owns any interest in us (including, without limitation, the LLC) (collectively, "Our Affiliates") may license others to operate and we, one or more of Our Affiliates, our franchisees, or licensees of ours or the LLC may operate Beyond Food Marts or use the Beyond Name or any or all of the Beyond Marks at any location, regardless of proximity to the Franchise Location. Without limiting the entitlement in the preceding sentence, we may sell or engage, license, or permit others to sell goods and merchandise or to provide services of any kind or character (including, without limitation, Beyond Inventory, Beyond Services, and/or goods, merchandise, or services similar or identical to the Beyond Inventory or Beyond Services) at retail or wholesale under the Beyond Name and/or one or more of the Beyond Marks and/or any other trademarks or trade names, in any channel of trade, medium, or means existing now or in the future we choose, including (without limitation) to or through retail stores, supermarkets, grocery stores, and convenience stores, in military facilities, movie theaters, airports, from food trucks, through our website or otherwise on the internet, and/or directly to customers by any means. We may acquire or be acquired by any other person or entity, including (without limitation) any person or entity that operates convenience stores or other businesses that sell products or merchandise you are required to carry, under a trade name(s) or trademark(s) other than the Beyond Name and Beyond Marks.

1.3 Restricted and Required Use.

A. You shall use the Beyond Name, those Beyond Marks we designate for your use at any particular time, and the Beyond Business Method in connection with the operation of the Franchised Business at the Franchise Location and solely in connection with the operation of the Franchised Business at the Franchise Location. You may not sell any products, merchandise, goods, or services at the Franchise Location or using the Beyond Name or any of the Beyond Marks except Beyond Inventory and Beyond Services.

B. You shall adopt and strictly adhere to the Beyond Business Method, as we supplement or modify it from time-to-time, in the conduct of the Franchised Business and use of the Franchise Location. You shall use only the Beyond Name and those of the Beyond Marks we designate at any particular time, without any prefix, suffix, modifier, or other descriptive term, to describe and identify the Franchise Location and the Franchised Business. You shall not use the Beyond Name or any of the Beyond Marks or any derivative of any of them or any similar name in any entity or assumed or fictitious business name. You shall not use the Beyond Name or any of the Beyond Marks or any derivative of any of them or any similar name in any domain name or email address you use or create except with our prior written consent. All business cards, stationery, and similar items you use shall identify the Franchise Location and the Franchised Business as a Beyond Food Mart® franchise. You shall display in the Franchise Location a notice at least 5" x 5" with the statement: This Beyond Food Mart® is operated by a franchisee.

C. We may require you to modify or discontinue use of any or all of the Beyond Name and/or Beyond Marks and/or use one or more additional or substitute names or marks if we determine modification or discontinuance is necessary or desirable. We will not reimburse you for any costs of modifying or discontinuing use of any or all of the Beyond Name and/or Beyond Marks for any reason.

1.4 Protection of Name, Marks, and Trade Secrets.

A. You shall do all things necessary to prevent your use of the Beyond Name and Beyond Marks from diminishing the legal protection granted to the Beyond Name or Beyond Marks and shall accompany your use of the Beyond Name and Beyond Marks we authorize you to use with notices appropriate for that purpose. You shall cause to be filed all statements appropriate or necessary to protect our rights in the Beyond Name and Beyond Marks in connection with your use of any of them, including (without limitation) assumed or fictitious business name statements.

B. You shall do all things necessary to preserve the confidentiality of the Beyond Business Method, the information contained in the Beyond BQA Manual as supplemented or revised by any later written directive, instruction, notice, or update as we determine appropriate or desirable (all of which shall be included in the term "Beyond BQA Manual"), all other proprietary or confidential information, trade secrets, processes, methods, procedures, practices, techniques, and materials we reveal or provide to you (collectively, the "Other Proprietary Information"). You agree that the Beyond Business Method, the Beyond BQA Manual, the Other Proprietary Information, and all information we designate as proprietary information shall be presumed to be proprietary information and trade secrets belonging to us or the LLC except to the extent you conclusively prove that any of that information is in the public domain. You shall not at any time directly or indirectly disclose, divulge, disseminate, display, duplicate, reveal, reproduce, publish, sell, show, or communicate the Beyond Business Method, any of the information contained in the Beyond BQA Manual, or any of the Other Proprietary Information to any person or entity except as expressly permitted by this Franchise Agreement.

C. You may disclose the Beyond Business Method, the information contained in the Beyond BQA Manual, or any of the Other Proprietary Information only to your employees who have executed the form of nondisclosure agreement we are then using (a "Nondisclosure Agreement") that you have delivered to us and only to the extent required to permit that employee to perform the duties of his or her employment by you. You shall cause each of your employees who will have access to the Beyond Business Method, any of the information contained in the Beyond BQA Manual, or any of the Other Proprietary Information to sign a Nondisclosure Agreement that you shall deliver to us before permitting the employee to have access to any part of the Beyond Business Method, the information contained in the Beyond BQA Manual, or any of the Other Proprietary Information. You shall treat as confidential information and not disclose to anyone other than us or your financial and tax advisors who agree to maintain its confidentiality information regarding the revenue, income, and expenses of the Franchised Business but we may use that information as described in this Franchise Agreement.

D. If you are an entity, you shall not disclose or permit any of your officers, directors, managers, shareholders, or members (collectively, "Insiders" and individually an "Insider") to have access to the Beyond Business Method, the Beyond BQA Manual, or the Other Proprietary Information unless that Insider has signed a Nondisclosure Agreement that has been delivered to us and we have approved in writing disclosure to that Insider. You shall not disclose any financial or other records of the Franchised Business or make any report of the revenue, income, or expenses of the Franchised Business to any Insider unless that Insider has signed a Nondisclosure Agreement that has been delivered to us. Nothing in this Franchise Agreement or elsewhere shall be construed to give you any right to disclose, duplicate, license, reveal, or sell the Beyond Business Method, the contents of the Beyond BQA Manual, or any of the Other Proprietary Information to any person or entity except as expressly permitted by this Franchise Agreement to your employees or Insiders who have signed a Nondisclosure Agreement.

E. You shall immediately notify us of any infringement of, challenge to, or unauthorized use of the Beyond Name or any of the Beyond Marks that comes to your attention. We shall have sole and complete discretion regarding whether to take any action and what action to take in response to any infringement, challenge, or use. We shall indemnify and hold you harmless from all out of pocket costs and expenses we determine are reasonable and necessary that you incur in any action or proceeding brought against you by any party other than us arising out of your authorized use of the Beyond Name or any of the Beyond Marks in accordance with this Franchise Agreement, which will not include attorneys' fees or any expenses you incur after this Franchise Agreement requires you to have given us notice. We shall have the right, but no obligation, to control any litigation involving the Beyond Name or any of the Beyond Marks.

1.5 Ownership.

A. The Beyond Name, Beyond Marks, and Beyond Business Method and the Other Proprietary Information are, and shall remain, the sole and exclusive property of us and the LLC and are merely licensed to you for a limited period, on specified terms and conditions, and for limited usage. You shall not register the Beyond Name or any of the Beyond Marks with any state or federal agency or anywhere else in the world.

B. Nothing in this Franchise Agreement shall be construed to authorize or permit your use of the Beyond Name, Beyond Marks, Beyond Business Method, or the Other Proprietary Information for any purpose or at any location other than as described in Section 1.3. Nothing in this Franchise Agreement shall give you any right, title, or interest in or to the Beyond Name, Beyond Marks, Beyond Business Method, the Other Proprietary Information, or any other names, trademarks, service marks, insignia, symbols, labels, designs, logotypes, copyrighted material, or goodwill now or later owned by or associated with us or the Beyond Store System, except a mere sublicense to display and use the Beyond Name and the Beyond Marks we designate, use the Beyond BQA Manual, and employ the Beyond Business Method for the duration and on the terms and conditions of this Franchise Agreement. All goodwill associated with the Beyond Name, Beyond Marks, Beyond Business Method, or the Franchised Business and all data and information about customers of the Franchised Business belong solely to us or the LLC.

C. You shall not at any time directly or indirectly contest that we and the LLC own all rights in and title to or interest in the Beyond Name, Beyond Marks, and Beyond Business Method, all goods and merchandise that bear our private label (individually, a "Beyond Product" and collectively, "Beyond Products"), the Beyond BQA Manual, the Other Proprietary Information, and all the goodwill associated with the Beyond Name, Beyond Marks, Beyond Business Method, Beyond Products, and the Franchised Business or that we and the LLC have the sole and exclusive right to register, use, and license or sublicense others to use the Beyond Name, Beyond Marks, and Beyond Business Method and the Other Proprietary Information.

2.0 DURATION; STATUTORY REQUIREMENTS.

2.1 Duration. This Franchise Agreement shall be effective on the Reference Date and the franchise granted by it shall be for a term of 20 years from the date the Franchise Location opens to the public for business but no later than the date required by Section 9.1 (the "Term Commencement Date"). When that date is determined, we and you shall execute a Memorandum of Term Commencement Date substantially in the form of Exhibit B.

2.2 Statutory Notice. If any statute, law, ordinance, rule, regulation, or requirement of any governmental entity or agency applicable to the Franchise Location and/or the Franchised Business (collectively, "Applicable Laws") requires that we give you notice before the expiration of the term of this Franchise Agreement, if that notice is not given within the required time period this Franchise Agreement shall remain in effect on a month to month basis until we have given the required notice and the notice period has expired.

3.0 FRANCHISE FEES; REBATE; BANK ACCOUNT AND DEPOSITS; ELECTRONIC WITHDRAWALS.

3.1 Initial Fee. You shall deliver to us a $30,000 initial franchise fee within 15 days after delivery of notice from us but we shall not deliver that notice sooner than the first month in which the Franchise Location has Gross Revenue (as defined In Section 3.3) of no less than $45,000 and no later than 24 months after the Term Commencement Date or the date upon which the Franchise Agreement is terminated for cause. The initial franchise fee is fully earned when delivered and is not refundable except as provided in this Franchise Agreement.

3.2 Royalty. Beginning 15 days after we deliver notice of royalty commencement (which we shall deliver no sooner than the first month in which the Franchise Location has Gross Revenue of no less than $45,000 and no later than 24 months after the Term Commencement Date or the date upon which the Franchise Agreement is terminated for cause), on the 5th day of each calendar month you shall pay us by electronic funds transfer as provided in this Article a 7% royalty on your Gross Revenue during the preceding calendar month, but not less than $2,000. For each calendar month during which you (a) participate in all marketing and advertising campaigns we conduct during the calendar month as required by this Franchise Agreement and (b) receive the highest available grade on every health department inspection or evaluation of the Franchised Business conducted during the calendar month (collectively, the "Performance Requirements"), so long as you do not otherwise default in performance under this Franchise Agreement or any promissory note or other agreement between you and us (collectively, "Fully

Comply") at all times during the calendar quarter that includes those months (the "Measuring Quarter"), on the 15th day of the calendar month after the end of the Measuring Quarter we will rebate to you an amount equal to 1.5% of your Gross Revenue during each month of the Measuring Quarter in which you have fulfilled the Performance Requirements (collectively, "Performance Months") by crediting that amount against royalties to become due in the calendar month following the end of the Measuring Quarter. If a Measuring Quarter includes one or more months in which you do not fulfill either or both of the Performance Requirements (the "Nonperformance Months") but also includes one or more Performance Months, you shall not receive the rebate provided in the preceding sentence for the Nonperformance Month(s) but shall receive the rebate for the Performance Month(s) so long as you otherwise Fully Comply at all times during the Measuring Quarter that includes the Performance Months.

3.3 Gross Revenue Defined. Gross Revenue shall include (a) the gross selling price or barter value of all goods and services (including, without limitation, sales of tobacco products, beer, wine, and alcoholic beverages) sold, delivered, or performed in or from the Franchise Location or using the Beyond Name or any of the Beyond Marks, or any part of the Beyond Business Method, whether payment is by cash, check, credit, credit card, debit card, PayPal or similar account, charge account, barter, or exchange, including (without limitation and whether or not authorized or permitted under this Franchise Agreement) the gross amount received for orders taken, originated, accepted, or received elsewhere but filled at or from the Franchise Location; orders taken, originated, accepted, or received at the Franchise Location but filled, delivered, or performed elsewhere (which shall be subject to the restrictions in Sections 1.3 and 10.1); (b) less permitted refunds made to *bona fide* customers in good faith; amounts actually paid for sales or excise taxes that were added to the selling price of goods and collected from customers; redemption of gift cards; complimentary items provided to your paid employees (which shall not exceed the maximum amount permitted in the latest version of the Beyond BQA Manual); and sales of assets of the Franchised Business other than the Beyond Inventory not made in the ordinary course of business (collectively, "Gross Revenue").

3.4 Bank Account and Deposits. Prior to the Opening (as defined in Section 9.1) you shall establish a separate bank account for the Franchised Business (the "Business Account"). Prior to the Opening you shall complete, execute as necessary, and deliver to us the Bank Account Information form in the latest version of the Beyond BQA Manual, a cancelled check from the Business Account, and all forms of written authorization required by the financial institution where the Business Account is located (the "Bank") to permit us to withdraw funds from the Business Account by ACH or other electronic transfer (individually an "electronic withdrawal" and collectively "electronic withdrawals") without any additional consent or authorization. You shall execute and deliver to us upon request all revised or additional authorizations, consents, or other documentation necessary or desirable to continue electronic withdrawals from the Business Account and shall pay all service charges imposed by the Bank. You shall deposit all Gross Revenue of the Franchised Business into the Business Account within two days after you receive it.

3.5 Electronic Withdrawals.

A. Payment of any monies payable by you to us (whether periodic or exceptional) shall be made by our direct electronic withdrawal from the Business Account through any means we choose at any time beginning on the day the payment or charge is due (the "due date") and continuing until the entire sum due for the particular payment has been collected in full. If there are not sufficient funds in the Business Account to pay sums due to us at any time when we are withdrawing or charging sums electronically as permitted by this Section, we may initiate successive electronic withdrawals at intervals we select until we have received all sums due. You shall pay all costs associated with any electronic transfer provided for in this Section.

B. If there are insufficient funds available in the Business Account when we attempt to collect any monies due under this Franchise Agreement, you shall pay us all costs of collection, an insufficient funds fee in the amount then set forth in the latest fee schedule in the Beyond BQA Manual (the "Fee Schedule"), and interest on the past due sums at the maximum rate then legally permitted for commercial transactions from the due date until we receive full payment, all of which we may collect by electronic withdrawal from the Business Account.

C. You shall not at any time make any change in or move your Business Account or banking relationships without giving us at least five business days prior written notice and receiving our written approval. No less than five business days before you make changes in the Business Account you shall provide us the information and authorization required by Section 3.4 for the new bank or Business Account. If you make any change in the Business Account that requires new authorization for our electronic withdrawals, you shall deliver to us no less than five business days prior to the change the information, cancelled check, and withdrawal authorization required by Section 3.4 for the new Business Account, which shall become the Business Account for all purposes of this Franchise Agreement. You shall reimburse us upon receipt of an invoice for any costs we incur because of any change in your Business Account or Bank.

4.0 LOCATION SELECTION; OUR RIGHT OF FIRST REFUSAL AND YOUR USE PROHIBITION; LEASE TERMS; LEASE.

4.1 Location Selection.

A. If the Franchise Location is not set forth in Exhibit A on the Reference Date, within 50 days after the date we deliver to you a counterpart of this Franchise Agreement signed on our behalf (the date this Franchise Agreement is signed on our behalf being the "Effective Date") you must deliver to us a site approval request for at least one site that fits our basic site selection criteria (the "Proposed Site"), including a form of lease, a Proposed Site layout and schematic, a map of any shopping center, mall, or other site of which the Proposed Site is a part, a comprehensive set of photographs of the Proposed Site, and any other documents or things required to permit us to determine whether the Proposed Site fits our basic site selection criteria (the "Site Approval Request Package"). Within 30 days after we receive the Site Approval Request Package from you we will give you written notice whether the Proposed Site meets our basic site selection criteria or notice that we will visit one or more Proposed Sites. If we make one or more site visits we will complete the site visits and advise you of our approval or rejection within 10 days after we deliver notice of our intention to visit one or more of your Proposed Sites. If we visit one or more Proposed Sites and this Franchise Agreement is later terminated because you choose not to commit to the estimated improvement cost described in the Estimate (as provided in Section 5.1) or you do not open the Franchise Location as required, you will reimburse us for our costs related to the visits to the Proposed Site(s). If we deliver notice that your first Proposed Site does not meet our basic site selection criteria, you shall continue diligent efforts to propose and deliver a Site Approval Request Package for one or more other Proposed Sites as provided in this Section until we notify you that a Proposed Site fulfills our basic site selection criteria. If you have not succeeded in obtaining a Franchise Location that fulfills our basic site selection criteria within 90 days after the Effective Date, we may (but are not obligated to) terminate this Franchise Agreement by delivering notice of termination.

B. Our notice that a particular site fits our site selection criteria does not constitute a warranty of the suitability, condition, viability, success, or any other matter pertaining to the Franchise Location. You are solely and completely responsible for selecting an appropriate location for the Franchised Business that fulfills our basic site selection criteria, obtaining a right to occupy it within the time period provided by this Article, and successfully operating the Franchised Business at the Franchise Location you have selected.

4.2 Our Right of First Refusal; Your Use Prohibition. Concurrently with each site proposal you deliver to us, you shall deliver to us (a) (i) a written right of first refusal to acquire or lease the site (whichever you would have done) or, (ii) if you own the site a right of first refusal to lease on terms comparable to those then prevailing in the market but in any case for 20 years, signed by the owner of the site, exercisable by us or our nominee at any time within 30 days after you exercise the termination right set forth in Section 5.1B and (b) a Memorandum of Right of First Refusal substantially in the form of Exhibit C to this Franchise Agreement duly executed and acknowledged. If you exercise the termination right set forth in Section 5.1B and you are not the owner of the site, neither you, any person related to you, nor any entity in which you or any person related to you has an interest may acquire any interest in that site for 24 months after you exercise the termination right.

4.3 Lease Terms; Lease Execution; Power of Attorney.

A. If you will lease the Franchise Location, any rental agreement, lease, or other agreement, written or oral, giving you the right to occupy the Franchise Location (the "Lease") shall (i) be for a period of not less than 20 years, (ii) give you the right to have a qualified licensed contractor we designate or approve (the "Contractor") renovate, remodel, improve, build out, fixturize, equip, decorate, and install signage at the Franchise Location premises (the "Premises") as provided in Section 5.3A, subject to reasonable approval of the plans by the landlord under the Lease (the "Landlord") as provided in Section 5.3B; (iii) grant us the rights set forth in the Franchise Location Lease Addendum that is Exhibit D; and (iv) include a nondisturbance agreement from the Landlord's lender(s).

B. Before you sign any Lease for the Franchise Location, you shall deliver to us a complete copy of the proposed final form of Lease. Within five business days after our receipt of the proposed final form of Lease, we shall deliver to you written notice that the Lease complies with the requirements of this Franchise Agreement (the "Confirmation Notice") or a statement of the Lease terms that require revision (a "Correction Notice"). If we deliver a Correction Notice, you shall deliver a corrected form of Lease to us within five business days after you receive the Correction Notice and the preceding provisions of this Paragraph shall apply to the corrected form of Lease. You shall not sign any Lease until you have received a Confirmation Notice. Within 150 days after the Effective Date if the Franchise Location is not set forth on Exhibit A on the Effective Date or 45 days after the Effective Date if the Franchise Location is set forth in Exhibit A on the Effective Date, you shall deliver to us one fully signed counterpart original of a Lease and all exhibits and addenda in the form that was the subject of our Confirmation Notice. If the Franchise Location is not set forth on Exhibit A on the Effective Date, within 10 days after we receive the signed Lease, the address of the Franchise Location shall be inserted in a copy of Exhibit A and we and you shall each sign and date a counterpart of that Exhibit A. No fewer than 14 days prior to signing any amendment to the Lease you shall deliver to us the proposed form of amendment and we shall deliver to you with 10 days after our receipt of the proposed form of amendment our notice of approval or disapproval. If we deliver notice of disapproval, you shall not enter into the amendment. Concurrently with signing any amendment to the Lease, you shall deliver to us one fully signed counterpart original of that amendment.

C. You irrevocably designate, constitute, and appoint us as your attorney-in-fact to do all things necessary or desirable to permit us to succeed to your interest in the Lease upon your default under this Franchise Agreement or the Lease and/or to cure any default by you under the Lease if we choose to exercise any of those rights. Whether or not we succeed to your interest in the Lease, you will reimburse us on demand for all sums we spend to cure any default by you under the Lease, with interest at the maximum rate then legally permitted for commercial transactions from the date we spent the monies until reimbursement is received.

5.0 LOCATION IMPROVEMENT; FURNISHINGS, FIXTURES, EQUIPMENT; DISCLAIMER OF WARRANTIES; COMMUNICATION DEVICES; PERMITS AND LICENSES; IMPROVEMENT COST.

5.1 Location Improvement Cost Estimate; Financeable FFE; Loan Amount.

A. Unless there is a Beyond Food Mart® at the Franchise Location (a "Turnkey Location"), within 10 business days after we have confirmed that your proposed Franchise Location site meets our site selection criteria, we will deliver to you an estimate of the cost (the "Estimate") of (i) constructing, converting, building out, improving, renovating, remodeling, retrofitting, and/or rebranding the Franchise Location, including (without limitation) the estimated cost of acquiring and installing counters, cabinets, furnishings, fixtures, equipment, and other improvements (collectively, the "FFE") and (ii) decorating that Franchise Location and acquiring small wares, all in accordance with and as required by us in the Plans and Specifications (as defined in Section 5.3) or otherwise and Applicable Laws (collectively, the "Work"). The Estimate will not include (a) the cost of purchasing the real property; (b) the cost of the signage, Back Office Computer System (as defined in Section 12.1) and the license for the C-Store Software (as defined in Section 12.2 you must use on it, or the advertising media we will install in, on, or about the real property and other improvements of which the Franchise Location is a part (the "Real Property"), all of which will be owned by us; (c) any work on any structural element of the Franchise Location, (d) any improvements related to any motor vehicle fuel or power or other dealership, franchise, or other business or improvements other than the Franchised Business that may be located in, on, or about the Real Property, (d) any cost incurred if any characteristic of or defect or other condition in, on, under, or about the Real Property, the Franchise Location, or the Premises or any structure or system located in, on, or under or serving the Real Property, the Franchise Location, or the Premises impairs or impedes all or any part of the Work or makes the Work more costly, or (e) any changes or modifications to the Work regardless of the need or basis for any of them, for all of which you shall be solely responsible and for which you agree to pay.

B. Concurrently with the Estimate, we will deliver to you a statement of the portion of the Estimate attributable to the acquisition and installation of the FFE (except (i) the signage and Back Office Computer System that we will pay for and own (the "BFI FFE") and (ii) the Point of Sale System(s) (as defined in Section 12.2) that you will acquire yourself) (the "Financeable FFE") and the amount we will lend you to acquire the Financeable FFE and have the Contractor install it in the Franchise Location (the "Loan Amount"), subject to a limit of $650,000. If the Franchise Location is a Turnkey Location, we will deliver a statement of the Loan Amount within

10 business days after the Effective Date. You shall have five business days from the date we deliver the statement of the Loan Amount to deliver to us the documents required by Section 5.2 or notice that you are terminating this Franchise Agreement and certifying that the Loan Amount exceeds the indebtedness you are able to incur. If you do not deliver the documents required by Section 5.2A, you shall be deemed to have chosen to terminate this Franchise Agreement as provided in this Paragraph and shall deliver to us the right of first refusal described in Section 4.2.

C. If for any reason, whether or not foreseen, the cost of the Work exceeds the Loan Amount, you shall pay that excess amount (the “Excess”) directly to the Contractor or the suppliers, as the case may be, from time to time within five days after payment is required. If the cost of the Work exceeds the Estimate for any reason and you do not deliver the Excess within five days after payment is required, we may terminate this Franchise Agreement by delivering written notice of termination.

5.2 Financeable FFE, Loan Amount, Security; Conditional Forgiveness.

A. When you choose to borrow the Loan Amount, to evidence and secure payment of the Loan Amount you shall deliver to us (i) the Loan and Security Agreement in the form we require (the “Security Agreement”), (ii) a Secured Revolving Promissory Note substantially in the form we require (the “Secured Revolving Promissory Note”), (iii) unless we waive the requirement of real property security, (a) if you or any person or entity in which you own any interest or which owns any interest in you or that is owned by any person or entity that owns any interest in you (individually “Your Affiliate” and collectively “Your Affiliates”) owns the Real Property, a Deed of Trust with Assignment of Rents and Fixture Filing in the form we require (the “DOT”) to the Real Property; (b) if you or Your Affiliate is the ground tenant of the Real Property, a Leasehold Deed of Trust (which shall be included in the term “Deed of Trust” as used in this Franchise Agreement); or (c) if neither you nor Your Affiliate owns or is the ground tenant of the Real Property and we do not choose to forego real property security, a DOT to other real property and improvements you or Your Affiliate owns that is approved by us (in any of these cases, the “Secured Property”), that has an appraised value (as shown by an MAI appraisal obtained by us and paid for by you) that will be at least 20% greater than the total amount of indebtedness secured by the Secured Property after recordation of the DOT, and (iv) if and as applicable, a Conditional Assignment of Leasehold Interests and Landlord’s Consent and Waiver in the form we require, (v) a Lender’s Consent, Fixture Waiver, and Nondisturbance Agreement from any senior lender on the Secured Property in the form we require; (vi) a title report issued by a title company we designate showing that any DOT will have a lien on the Secured Property with a first, second, or third priority (whichever we approve) (the “Approved Priority”), and (vii) a Personal Guaranty from you or each person who owns any equity interest in you if you are an entity, any other entity that owns the Secured Property, and each owner of that entity in the form we require (except for item (vi), collectively, the “Loan Documents”). We will obtain the MAI appraisal prior to approving the Secured Property. If at any time prior to or upon recordation the DOT does not have the Approved Priority or if at any time during the term of the Secured Revolving Promissory Note the value of the Secured Property is not at least 20% greater than the indebtedness secured by it (either, a “Shortfall”), we may terminate this Franchise Agreement and require immediate payment of the outstanding balance of and all interest accrued on the Secured Revolving Promissory Note if you do not cure the Shortfall within 10 days after we deliver notice of the Shortfall.

B. We shall make advances of the Loan Amount directly to the sellers of the Financeable FFE and/or the Contractor as and when necessary to purchase the Financeable FFE and have it installed in the Franchise Location.

C. You shall pay the Secured Revolving Promissory Note as and when due. So long as you fully and timely perform all of your obligations under this Franchise Agreement, any of the Loan Documents, any other promissory note from you or any of Your Affiliates to us or any of Our Affiliates, and any other agreement between you or any of Your Affiliates and us or any of Our Affiliates and pay as and when due all the vendors and others who provide goods or services to your Franchised Business (collectively, "Fully Perform") during the period from the Term Commencement Date to the first anniversary of the Term Commencement Date and then from each anniversary of the Term Commencement Date to the day before the next anniversary of the Term Commencement Date (each a "Franchise Agreement Year"), on the business day after the last day of that Franchise Agreement Year we shall deliver to you a credit memorandum forgiving one-twentieth of the original amount of the Secured Revolving Promissory Note. If you Fully Perform throughout the term of the Secured Revolving Promissory Note, when the Secured Revolving Promissory Note is paid in full we will deliver to you a credit memorandum forgiving all accrued interest. For each year in which you are issued a credit memorandum as provided in this Paragraph, we shall also deliver to you as and when required by Applicable Laws an Internal Revenue Service Form 1099 or other appropriate document memorializing the debt forgiveness. Our forgiveness of any portion of the Secured Revolving Promissory Note is not and shall not be construed as a waiver of our right to receive payment of the balance of the Secured Revolving Promissory Note or any other sums that may become due pursuant to it or this Franchise Agreement.

5.3 Location Improvement.

A. Unless the Franchise Location is a Turnkey Location, within 60 days after you deliver the Loan Documents and, if you will lease the Franchise Location, a Lease signed by the Landlord and you, you shall have prepared by an architect and/or engineer we designate or approve and deliver to us architectural drawings and specifications, based on our standard layout and specifications, for the design and layout of the Franchise Location and the construction, renovation, remodeling, improvement, build out, fixturization, equipping, decoration, and signage of the Franchise Location in compliance with our requirements, standards, and specifications, including (without limitation) mechanical, electrical, plumbing, and any other plans required to obtain any governmental approvals or permits required by Applicable Laws for the Franchise Location only (not any other motor fuel or other dealership, franchise, or other business or improvements that may be located on the Real Property) (respectively, the "Plans" and "Specifications").

B. After the Plans and Specifications are approved by the Landlord if necessary, unless the Franchise Location is a Turnkey Location, you shall engage the Contractor to apply for and pursue issuance of all governmental approvals or permits required by Applicable Laws for the construction and improvement of the Franchise Location only (not any other motor fuel or other dealership, franchise, or other business or improvements that may be located on the Real Property) in accordance with the Plans ("Building Permits") and perform the Work. You shall oversee the Contractor's performance of the Work and cause the Contractor to diligently pursue it to completion.

C. Subject to the provisions of Section 5.7, within 180 days after the last of the Building Permits is issued (the "Completion Date") you shall cause the Work to be completed. You shall cooperate with the Contractor and provide all necessary interface with the Landlord, access to the Franchise Location, funds for any Excess, and other funds or assistance necessary or desirable to complete the Work without delay.

D. You shall not at any time construct or cause to be constructed at or on the Franchise Location any improvements or structure other than the improvements constructed and installed in the Franchise Location as provided in this Section (the "Improvements"). Except as we may require or approve in advance in writing, you shall not alter the building structure, size, floor plan, layout, interior decoration, interior or exterior design, or any other facet of the appearance of the Franchise Location (all, collectively, the "Appearance") at any time during the term of this Franchise Agreement. The Appearance shall at all times conform to the Plans and Specifications and the layout, design, color, and interior decoration criteria required by this Franchise Agreement.

5.4 Interior Decoration; Furnishings, Fixtures, and Equipment.

A. Unless the Franchise Location is a Turnkey Location, before the Completion Date you shall cause the Contractor to decorate the interior of the Franchise Location and acquire from us or one or more of our Affiliates and install in the Franchise Location the FFE in accordance with the Plans and Specifications.

B. You shall not at any time encumber or grant any lien against any of the FFE without our prior written consent. You shall not at any time remove or replace any of the FFE or alter the interior decoration or Appearance of the Franchise Location except as required or permitted by this Franchise Agreement. You shall at all times maintain the interior of the Franchise Location in good, clean, sanitary condition and maintain all FFE in good repair and working order and clean and sanitary condition.

5.5 Disclaimer of Warranties. All claims of an express or implied warranty arising out of or related to the construction of the Improvements or purchase or use of any of the FFE are made by the Contractor or manufacturer only. We do not make and **expressly disclaim** any warranties arising out of or related to the Contractor's work or use or purchase of any of the FFE or small wares, including (without limitation) **any warranty of merchantability or fitness for a particular purpose**. As and if necessary, we shall assign to you all warranties related to the Contractor's work, the Improvements, the small wares, or any of the FFE other than the BFI FFE.

5.6 Communication Devices and Lines; Telephones.

A. You shall obtain, install, and cause to run from a central network board or closet in the Franchise Location to outlets or locations in the Franchise Location as shown on the Plans the cabling and other lines necessary for the number and type of telephone lines, data lines, internet connections (including, without limitation, a business quality wireless internet connection capable of handling the data from your Sales System, Computer System, and Electronic Devices, all as defined in Article 12), and other communications and data storage and/or transmission facilities, instruments, and devices required for the Franchise Location as designated in the latest Communication Services and Device List in the Beyond BQA Manual and shown on the Plans (the "Communications Devices", all of which shall be included in the term

"FFE") so all Communication Devices that require a power source and/or internet connection can be connected to an appropriate power source and/or internet connection.

B. Before the Completion Date you shall cause the Communication Devices to be installed and connected inside the Franchise Location as shown on the Plans to the connections you have provided as required by this Section. Prior to the Opening, you shall obtain the communication services devoted solely to the Franchised Business designated in the latest Communication Services and Device List in the Beyond BQA Manual (the "Communication Services"). You shall maintain the Communication Services and Communication Devices in the Franchise Location and upgrade any or all of them as we require throughout the term of this Franchise Agreement.

C. We may at any time require you to acquire and install at the Franchise Location in locations we designate additional, different, or replacement Communications Devices. You shall acquire those Communications Devices and provide space in or on your Franchise Location install them at the locations we designate.

5.7 Operating Permits and Licenses. No more than five days after the Completion Date, you shall obtain all permits, licenses, and registrations required by Applicable Laws for the occupancy, use, and conduct of the Franchised Business at the Franchise Location, including (without limitation) any necessary licenses for the off-premises sale of beer, wine, and/or alcohol, the sale of tobacco products, and/or the sale of lottery tickets.

5.8 Excusable Delay. If you are delayed in or prevented from completing any of the Work because of any unavoidable delay in delivery of supplies, material, FFE, or small wares; labor action or disputes; dispute with the Contractor or between the Contractor and any laborer, subcontractor, or materialman; inspection delay; shortage of or limitation on availability of water or other utilities; power failure; government action; national emergency; act of war or terrorism; natural occurrence or disaster; or any other circumstances or occurrences beyond your control, the time you have to fulfill your obligations under this Article shall be extended as necessary but for no more than 12 months.

6.0 UNIFORMS; OPENING INVENTORY.

6.1 Uniforms. Prior to the Opening you shall obtain at your sole cost from the supplier we designate, which may be or include only us or one of Our Affiliates, the branded uniform components described in the Beyond BQA Manual.

6.2 Opening Inventory. No more than five business days after the Completion Date you shall cause the Franchise Location to be stocked with the goods, merchandise, products, ingredients, and supplies described in the latest Inventory List we have included in the Beyond BQA Manual in the quantities designated in the Inventory List and any other goods, merchandise, or products we have approved or required as part of your Beyond Inventory. You shall acquire all Beyond Inventory and all goods, merchandise, products, ingredients, and supplies from the suppliers we designate or approve ("Suppliers"), which may be or include only us or one of Our Affiliates. To the extent you request, we shall assist you in making initial contact with any Suppliers.

7.0 TRAINING AND OPERATING ASSISTANCE.

7.1 Mandatory Initial Training.

A. At least three weeks before the anticipated Opening we shall provide, and up to three people who will manage your Beyond Food Mart®, including (a) you if you are an individual who will manage the Franchised Business, and (b) subject to the three trainee limit, each person you have designated to be an Approved Manager (as defined in Section 15.2), each of whom has executed a Nondisclosure Agreement (individually a "Permitted Trainee" and collectively, "Permitted Trainees"), shall satisfactorily complete at least 40 hours of training in the use and operation of the software system, provided by the software vendor, and up to 80 hours of store management and operation training we provide in person and online ("Initial Training"). Your Permitted Trainees shall attend in person Initial Training at training facilities we designate, which may be one or more of a vendor's training facility; a Beyond Food Mart® location owned by us, one of Our Affiliates, or one of our franchisees; a training center we own (each a "training facility"); and/or the Franchise Location. We will cause all Initial Training that is conducted at a training facility to take place at the training facility nearest the Franchise Location that is available, staffed, and equipped to provide the training.

B. If you have fewer than three Permitted Trainees attend Initial Training prior to the Opening, we will provide Initial Training for additional Permitted Trainees, up to a cumulative total of three, within 12 months after the first day of the Initial Training described in Paragraph A (the "Initial Training Period") without additional charge. If you wish us to train additional Permitted Trainees at any time after the Initial Training Period, you shall pay us the training fee and charges in the Fee Schedule no less than 10 days prior to commencement of the training.

C. If at any time, in our sole discretion we determine that one or more of your Permitted Trainees requires and would benefit from additional training, we shall provide that training, you shall pay us for it no less than 10 days in advance the training fee and charges in the Fee Schedule, and those of your Permitted Trainees we designate shall attend and satisfactorily complete the additional training for the period we designate. We designate the curriculum, dates, hours, and duration of the Initial Training and the training described in this Paragraph.

D. If at any time during or upon completion of training we in our sole discretion determine that any person you have designated as an Approved Manager cannot demonstrate satisfactory ability to manage and/or operate the Franchised Business, we may require you to designate another Approved Manager and have the replacement Approved Manager complete training as required by this Section. You shall pay us for that training at least two days before it begins the training fee and charges in the Fee Schedule.

E. Any additional or replacement Approved Managers you hire during the term of this Franchise Agreement shall attend and complete Initial Training as described in this Section within 45 days after employment. You shall pay us for that Initial Training at least 30 days (or if the training is scheduled less than 30 days in advance, at least two business days) before it begins the training fees and charges in the Fee Schedule.

7.2 Additional Periodic Training.

A. By delivering at least 14 days prior written notice to you, we may at any time require that one or more of your Approved Managers whom we designate participate in up to two hours of additional, supplemental, or refresher training at a location we designate, which may be the Franchise Location. You shall pay us for that additional training at least 10 business days before it begins the training fees and charges in the Fee Schedule.

B. If we determine it is necessary, we shall provide and any or all of your Approved Managers we designate shall satisfactorily complete up to two annual refresher courses of not less than eight hours during any 12 month period. We will designate the curricula, dates, duration, hours, and location or locations of the courses not less than 30 days in advance of the course date.

7.3 Attendees and Attendance. We may simultaneously train some or all of the persons this Article requires or permits us to train and our trainees, the trainees of any of Our Affiliates, and/or one or more other Beyond Food Mart® franchisees. You shall cause your Permitted Trainees to attend all training required by this Article. We shall not have any responsibility whatsoever for payment of any expenses, costs, or losses you, your owners, or your trainees or employees incur in connection with attendance at any training described in this Article, regardless of whether the trainee successfully completes the training.

7.4 Field Assistance.

A. A Beyond Food Mart® franchise representative may visit the Franchise Location, with or without notice, periodically to inspect the Franchise Location and your operation of the Franchised Business and consult with you regarding the operation of the Franchised Business. You shall cooperate and shall cause your employees to cooperate with our franchise representative in any inspections and provide information and access to all parts of the Franchise Location, the FFE, all Beyond Inventory, goods, merchandise, products, ingredients, and supplies, and all books and records pertaining to the Franchised Business as our representative requires.

B. Within 15 days after receipt of your written request at any time when you are not in default under this Franchise Agreement, we shall cause one of our franchise representatives to come to the Franchise Location to provide you and/or Your Approved Manager(s) with advice and assistance regarding use of the Beyond Business Method in the operation of the Franchised Business. You shall pay us within 10 days after receipt of an invoice the daily field assistance charges then set forth in the Fee Schedule and shall reimburse our actual out of pocket expenses for any travel by our field representative in excess of 120 miles round trip.

8.0 BEYOND BQA MANUAL.

8.1 Beyond BQA Manual.

A. So long as you are not in default under this Franchise Agreement, we shall give you access through the internet to and supplement as provided in Section 1.4B, confidential and/or proprietary Franchise Location specifications and layout; design, interior decoration, trade dress, and appearance criteria and specifications; small wares and FFE descriptions, specifications, brands, and designations; lists of Beyond Inventory, goods, merchandise, products, ingredients, and supplies; specifications, brands, and designations for Beyond Inventory and supplies; lists of designated, suggested, and approved suppliers; the Fee Schedule; and other rules, regulations, standards, specifications, lists, policies, procedures, instructions, directions, and guidelines for the outfitting, appearance, supply, and operation of the Franchise Location and Franchised Business, all of which together comprise the Beyond BQA Manual. We may initially give you access to the Beyond BQA Manual in installments appropriate to the progress of the selection, development, and improvement of the Franchise Location. You shall protect all passwords and other access devices for the Beyond BQA Manual from disclosure to anyone except as expressly permitted by this Franchise Agreement or the Beyond BQA Manual.

B. You shall be given access to the Beyond BQA Manual for a term commencing on the day we first give you access to any part of it and ending on the day the term of this Franchise Agreement expires or is cancelled or terminated. We may supplement, modify, amend, delete, or add to the rules, regulations, standards, procedures, instructions, specifications, and other materials in the Beyond BQA Manual periodically as we consider necessary or appropriate, so long as no modification materially diminishes your rights under this Franchise Agreement. You shall not print or otherwise replicate or share or distribute (except to your employees as permitted by this Franchise Agreement) any of the contents of the Beyond BQA Manual or store all or any part of it on a computer or other electronic device except on the Back Office Computer System. You shall not share your password for access to the Beyond BQA Manual with any person except as expressly permitted by this Franchise Agreement.

8.2 Compliance with Beyond BQA Manual. To protect the goodwill and reputation of the Beyond Store System for the mutual benefit of the LLC, us, you, and all Beyond Food Mart® franchisees by assuring the quality of the operation of the Franchised Business, you shall operate the Franchised Business in strict compliance with and scrupulously abide by, conform to, and comply with the rules, regulations, standards, procedures, policies, guidelines, instructions, directions, and specifications in the latest version of the Beyond BQA Manual.

8.3 Ownership and Protection. The Beyond BQA Manual belongs to us and you shall have access to and use it only during the term of this Franchise Agreement. You shall keep the Beyond BQA Manual secure from access by any person except as expressly permitted by this Franchise Agreement to your Insiders or permitted employees who have executed a Nondisclosure Agreement. You shall not duplicate or permit any other person to duplicate in any way or medium any part of the Beyond BQA Manual and shall not at any time, directly or indirectly, disclose, disseminate, display, reveal, reproduce, publish, sell, show, or communicate to any person or entity any of the contents of the Beyond BQA Manual except for disclosure (but not reproduction or duplication in any manner) of the Beyond BQA Manual as expressly permitted by this Franchise Agreement to your Insiders or permitted employees who have executed a Nondisclosure Agreement.

9.0 OPENING; GRAND OPENING.

9.1 Opening. You shall open the Franchise Location for business within 10 business days after the Completion Date (the "Opening").

9.2 Grand Opening. Within 120 days after the Opening you shall conduct a no less than three day long grand opening that complies with our marketing guidelines, using content, media, and promotional methods, materials, and gifts approved by us (the "Grand Opening"). We may require you to give away promotional products and/or conduct contests at your expense as part of the Grand Opening. You shall purchase from us or any supplier we designate or approve (which may be or include only us or any of Our Affiliates) for use in the Grand Opening promotional items we designate. You must spend on your Grand Opening no less than $5,000 of your own money.

10.0 USE; GOODS, PRODUCTS, INGREDIENTS, AND SUPPLIES; FUEL SUPPLY FACILITY; PRICES; GIFT CARDS.

10.1 Use; Compliance with Laws; Ratings.

A. You shall use the Franchise Location only to operate a Beyond Food Mart® in accordance with this Franchise Agreement and the Beyond BQA Manual. Except as permitted by Section 10.3, you shall sell at the Franchise Location only Beyond Inventory, including any Flex Items as defined in Section 10.3.

B. You shall comply with all Applicable Laws, all solely at your own cost and expense. You shall cause the Franchise Location and the Franchised Business to receive the highest rating given by any governmental entity or agency that provides ratings for establishments that prepare and/or sell food products (a "Rating") and shall promptly take all action necessary or desirable to correct anything that causes the Franchise Location or the Franchised Business to receive a Rating lower than the highest Rating. You shall send us electronically a copy of any notice of Rating or any notice of a violation of any Applicable Laws within four hours after you receive the Rating or notice and shall immediately take all action necessary or desirable to cure any violation. If you do not obtain the highest Rating and do not complete all action necessary to obtain the highest Rating within 10 days after you receive notice of the Rating, in addition to the other rights and remedies given us by this Franchise Agreement or Applicable Laws, we may (but are not required to) enter the Franchise Location and take all action necessary or desirable to correct the item(s) that caused you to obtain a Rating lower than the highest Rating. You shall reimburse us on demand for any sums we spend or costs we incur for that purpose plus interest at the maximum rate then legally permitted for commercial transactions from the date we spent those sums until we receive reimbursement.

10.2 Beyond Inventory and Services.

A. To protect the goodwill and reputation of the Beyond Store System and to provide a level of uniformity necessary to enhance the goodwill and reputation of the Beyond Store System for the mutual benefit of the LLC, us, you, and all Beyond Food Mart® franchisees by assuring the quality and uniformity of all goods, products, and merchandise sold at the Franchise Location, (i) you shall prepare as required and sell all Beyond Inventory and offer all Beyond Services, including (without limitation) Beyond Products and third party branded Beyond Inventory items; and (ii) all foodstuffs, products, goods, and supplies you purchase for use or sale at the Franchise Location (including, without limitation, the Beyond Inventory) shall be of brands and/or obtained from suppliers we periodically designate or approve (which may include or be only us or any of Our Affiliates) and shall meet all quality requirements we establish periodically. All Beyond Products shall be referred to using only the Beyond Products private label we designate. We shall include in the Beyond BQA Manual and periodically update a Brand and Supplier List containing approved brands and Suppliers for your Beyond Food Mart®.

B. All Beyond Inventory shall be stored, handled, prepared, served, and sold in strict compliance with our standards, practices, recipes, and packaging requirements as set forth in the latest version of the Beyond BQA Manual. You shall discard any food that is not fresh and in first class condition for any reason, that is older than any expiration date displayed on its packaging, or that is at or past any expiration or discard date set forth in the latest version of the Beyond BQA Manual.

C. You shall acquire only from us or any producer and/or Supplier we license to provide them (which may be any of Our Affiliates) any Beyond Inventory (including, without limitation, Beyond Products) or equipment employing or based upon secret or proprietary blends, techniques, recipes, formulae, formulations, or designs we own or are licensed by any third party (including, without limitation, Our Affiliates) to use and shall use only the food products ("Food Products"), ingredients ("Ingredients"), and/or items of equipment we designate in the preparation of the Beyond Inventory items we designate and only for the preparation of those items. You shall not at any time attempt to or permit or engage any other person or entity to attempt to identify the ingredients, contents, or components of, reproduce, duplicate, simulate, or replicate any Beyond Product or Ingredient, product, recipe, formula, formulation, or equipment we or any of Our Affiliates own. You shall participate in any product and/or service test marketing we choose to conduct in an area that includes the Franchise Location.

D. All forms of paper goods and other supplies you use in the Franchised Business shall meet any specifications we periodically establish and shall bear a clear and accurate representation of the Beyond Name and/or the Beyond Marks you are authorized to use if and as we specify. If we require, you shall obtain paper products and supplies bearing the Beyond Name and/or any of the Beyond Marks you are authorized to use from suppliers we designate or approve, which may be or include only us or any of Our Affiliates. We shall include in the Beyond BQA Manual a Brand and Suppliers List that includes designated or suggested suppliers.

E. If at any time no approved brand and no specifications are contained in the Brand and Supplier List for a particular Beyond Inventory item, Food Product, Ingredient, paper good, or supply, you shall obtain our prior written approval of the brand of Food Product, Ingredient, paper good, or supply you choose to use and we shall give approval if the quality meets our subjective quality standards and the supplier or distributor is one we approve.

F. You may at any time make a written request that we approve a particular brand of any Beyond Inventory item, Food Product, Ingredient, paper good, or supply (except any of those that is a Beyond Product or in whole or in part proprietary to us or any of Our Affiliates) for use in the Franchised Business or that we approve a particular supplier, using the latest form of Brand and Supplier Approval Request Form we have delivered to you in the Beyond BQA Manual, accompanied by the approval request fee in the Fee Schedule. We may require you to deliver to us or a testing laboratory we designate a sample of the merchandise, Food Product, Ingredient, paper good, or supply and appropriate information regarding its producer, suppliers, and availability. Promptly after receipt of the sample, we shall perform or have performed by a testing laboratory we select any tests of the suggested merchandise, Food Product, Ingredient, paper good, or supply, and make any investigation of its producer and suppliers we consider necessary or desirable. If in our subjective judgment the suggested merchandise, Food Product, Ingredient, paper good, or supply is comparable or superior in quality, grade, performance, appearance, and reputation to the Beyond Inventory item or the brand or brands of that nonproprietary Food Product, Ingredient, paper good, or supply then approved by us and its producer and suppliers are capable of supplying it at the times and in the quantities we determine our franchisees are likely to require, the suggested brand and its suppliers shall be added to our Brands and Suppliers List. If we conclude that the suggested brand and/or the suggested suppliers should not be added to the Brands and Suppliers List we shall promptly give you notice of that fact, setting forth the particulars on which we base our decision.

10.3 Inventory. To provide a level of uniformity necessary to protect and enhance the goodwill and reputation of the Beyond Store System for the mutual benefit of the LLC, us, you, and all Beyond Food Mart® franchisees, you shall at all times stock and sell at the Franchise Location all items on the latest Beyond Inventory List we have delivered to you for your Franchised Business, including (without limitation) Beyond Products or other private label goods we designate periodically. You shall store, display, and handle your Beyond Inventory as required by the most recent instructions in the Beyond BQA Manual. In addition to the Beyond Inventory items that are standard for any Beyond Food Mart® as set forth on the Beyond Inventory List in the latest version of the Beyond BQA Manual, your inventory may include and you may serve and/or sell at the Franchise Location any merchandise, goods, beverages, or food products specific to the neighborhood, region, or other geographical area of your Franchise Location approved by us ("Flex Items") up to a total of 10% by quantity of the total inventory at your Franchise Location, all of which shall be included in the term Beyond Inventory. Your Flex Items may not include any item that is pornographic or illegal and all your Flex Items must be consistent with the standards, quality, character, and variety associated with the Beyond Store System and be displayed in the location in your Franchise Location that we specify. You shall not offer or sell at the Franchise Location any food, beverages, products, goods, wares, or merchandise not included in your Beyond Inventory without our prior written consent. We may add, eliminate, or change items in your Beyond Inventory by giving you at least 15 days written notice of those changes.

10.4 Display; Adequate Stock. Your Beyond Inventory shall at all times be displayed as set forth on the latest plan-o-gram we have delivered to you. You shall keep on hand at the Franchise Location a stock of Beyond Inventory, Ingredients, paper goods, and supplies sufficient to meet the reasonably anticipated needs of your Franchised Business and to serve all food products in your Beyond Inventory at all times.

10.5 Gift Cards; Processing. If at any time we offer Beyond Food Mart® gift cards, you shall purchase from us or any supplier we designate (which may be or include only us or any of Our Affiliates) and offer and sell at the Franchise Location gift cards in all denominations periodically available from us. You shall comply in all respects with all laws applicable to your sale and acceptance of gift cards and accept all *bona fide* Beyond Food Mart® gift cards tendered by customers. Accounting and Gross Revenue credit for Beyond Food Mart® gift cards you issue or accept shall be governed by the gift card issuance, redemption, and accounting terms in the latest version of the Beyond BQA Manual. You shall process all Beyond Food Mart® gift cards using the Point of Sale System as defined in Section 12.2.

10.6 Petroleum Fuel Supply. If your Franchise Location is situated in, on, or adjacent to a motor fuel retail facility you operate and on the Reference Date you do not have a petroleum motor fuel supply agreement for that facility or a petroleum motor fuel supply agreement you have for that facility expires during the term of this Franchise Agreement, concurrently with your execution of this Franchise Agreement or upon expiration of your existing petroleum motor fuel supply agreement for that facility, as the case may be, you shall enter into a petroleum motor fuel supply agreement with the supplier we designate, who may be us or Our Affiliate, purchase all of your petroleum motor fuel from us or the supplier we designate, and use any branding or trade identity required by the petroleum fuel supply agreement.

10.7 Retail Sales; Prices. You shall sell your Beyond Inventory at retail and shall not sell any of your Beyond Inventory for resale. You shall comply with any minimum or maximum resale prices we set from time to time but shall not otherwise be required to sell any goods or services at prices we suggest or provide. You shall at all times adhere to all retail prices you advertise.

10.8 Rebate Rights. You shall not have any right to or interest in any rebates, bonuses, discounts, or other consideration we or Our Affiliates receive on account of or based in whole or in part on any purchases made by you, us, and/or Beyond Food Mart® franchisees or licensees in general. We may in our discretion pass on to some or all Beyond Food Mart® franchisees all or any portion of any rebates, bonuses, discounts, or other consideration we or Our Affiliates secure from one or more suppliers. If you are permitted to sell tobacco products at your Beyond Food Mart®, you may contract directly with a cigarette supplier approved by us and retain any rebates or other bonuses, incentives, or concessions offered by that supplier.

11.0 MAINTENANCE; REFURBISHMENT; ADDITIONAL OR REPLACEMENT FFE; OUR RIGHT TO CURE.

11.1 Maintenance, Repair, and Replacement. You shall keep the Franchise Location and all improvements to it, including (without limitation) interior decoration, FFE, signs, storefronts, plumbing, wiring, windows, glass, doors, any separate heating and air conditioning system, interior and exterior walls, and any other Improvements in clean, sanitary condition and good repair. You shall perform regular maintenance and upkeep at the Franchise Location and paint as necessary and in the color scheme from time to time designated in the latest version of the Beyond BQA Manual. You shall promptly repair (or, if appropriate, cause the Landlord to repair) any damage to, deterioration of, or wear to the Franchise Location, the Improvements, any of the FFE other than the BFI FFE, plumbing, lighting, wiring, windows, glass, doors, heating or air conditioning systems, and interior or exterior walls on, in, or serving the Franchise Location, and promptly make (or, if appropriate, cause the Landlord to make) replacements as necessary. If any of the FFE other than the BFI FFE becomes obsolete or is worn out or damaged so that it does not function optimally and cannot be repaired, you shall replace that FFE with a brand we have approved at that time that meets the specifications in the latest version of the Beyond BQA Manual. You shall notify us upon learning that any of the BFI FFE is not functioning properly or is not in good condition. You shall not at any time make any alterations or modifications to or replace any of the BFI FFE.

11.2 Additional or Replacement FFE. We may at any time require you to acquire and install at locations in or on the Franchise Location we designate additional, different, or replacement FFE we designate. You shall acquire those items, provide space in or on your Franchise Location for, and install them at the locations in your Franchise Location we designate. We may at any time maintain, repair, or replace any or all the BFI FFE and you shall at all times give us access to the Franchise Location for that purpose.

11.3 Our Right to Cure. In addition to the other rights and remedies given us by this Franchise Agreement and Applicable Laws, if you fail to cure any condition that causes the Franchise Location to be unsanitary, unclean, unsightly, unhealthy, or out of compliance with any Applicable Laws or that otherwise negatively impacts the Beyond Food Mart® brand (a "Critical Noncompliance") within 42 hours after receipt of notice from us or any governmental entity or agency of the need for a cure (or if the cure requires more than 42 hours to complete, do not commence cure immediately and diligently pursue it to completion) we may (but are not required to) enter the Franchise Location and take all action we deem necessary, appropriate, or desirable to cure the Critical Noncompliance. You shall reimburse us on demand for any sums we spend for that purpose. Our exercise of any rights given us by this Section or any other cure rights given us by this Franchise Agreement shall not be deemed a waiver of any rights given us by this Franchise Agreement or law, all of which we reserve and any of which we may exercise based upon the condition we have cured, notwithstanding the cure.

12.0 RECORDKEEPING EQUIPMENT, DEVICES, AND DATA; SECURITY; RECORDS AND REPORTS; INSPECTIONS AND AUDITS.

12.1 Point of Sale and Back Office Computer Systems.

A. You shall obtain, maintain on the front counter of your Beyond Food Mart®, and use only for the Franchised Business one or more point of sale computer systems of a brand and model capable of seamlessly communicating with the C-Store Software (as defined in Section 12.2) and the Back Office Computer System, including (without limitation) hard drive, monitor, automated teller machine, printer, and any proprietary hardware or software we designate (which may be available only from us or one of Our Affiliates) (collectively, the "Point of Sale System").

B. You shall use in the back office of your Beyond Food Mart® a computer system, printer, and handheld digital reader gun installed and owned by us capable of seamlessly interfacing with and communicating data from and to the Point of Sale Software (as defined in Section 12.2), operating the C-Store Software, and maintaining the Business Database (as defined in Section 12.2C) (the "Back Office Computer System"). You shall permit us to locate the Back Office Computer System at a location in the back office of your Franchise Location we select. You shall not alter, tamper with, or remove all of any part of the Back Office Computer System. We may access, relocate, remove and/or replace the Back Office Computer System at any time. We will permit you to use the Back Office Computer System in accordance with this Franchise Agreement solely at the Franchise Location for the Franchised Business. You shall enter and maintain on the Back Office Computer System the Business Database and all your bookkeeping and accounting records, financial statements, and reports in and on the form (if any) and as required by the standards, forms, and requirements in the latest version of the Beyond BQA Manual.

12.2 C-Store, Point of Sale, and Other Software; Business Database.

A. Except as otherwise provided in this paragraph, you shall obtain, maintain, and use only in the Franchise Location and for the Franchised Business and only as permitted by this Franchise Agreement the (a) convenience store recordkeeping, management, and analysis software system we designate or approve from time to time (the "C-Store Software"), (b) point of sale software compatible with the C-Store Software (the "Point of Sale Software"), and any (c) accounting, bookkeeping, word processing, and other software we designate or approve from time to time (the "Other Software"). We will obtain and own the license for the C-Store Software and may at any time choose to obtain and own the license for the Point of Sale Software and/or any or all Other Software. We will permit you to use as permitted by the applicable license agreement solely at the Franchise Location for the Franchised Business, the C-Store Software and any Point of Sale Software or Other Software we exercise our right to obtain and own. You will pay the licensor all service and maintenance fees required under the license for the C-Store Software, the Point of Sale Software, and any Other Software we exercise our right to obtain and own.

B. You shall enter and maintain on the Point of Sale Software all transactions that would be included in Gross Revenue, enter on the C-Store Software or Other Software all bookkeeping and accounting records, financial statements, and reports you receive, maintain, or prepare, so as to create a complete and accurate record in the Business Database of each individual sale, a cumulative total of all Gross Revenue and all components of or deductions from Gross Revenue, and all transactions, expenditures, and income of the Franchised Business.

C. All the information and data on the C-Store Software, Point of Sale Software, Other Software, or any other software you use in the conduct of or recordkeeping for the Franchised Business or on which you enter any information pertaining to the Franchised Business shall collectively comprise the "Business Database". Except as provided in Paragraph E, we own and may access, remove, and use at any time and in any way we choose all or any portion of the data produced by or on or contained on or in any of the Devices or the Business Database (the "Data"), so long as we comply with all Applicable Laws pertaining to the use of the Data. You shall at all times provide us electronic access to all the Devices and Data through the mode or medium we designate in the latest version of the Beyond BQA Manual and permit us and our designee to independently access, poll, retrieve, and/or download or upload to our servers any or all of the information or Data on any of the Devices and upload, download, review, extrapolate, copy and/or reproduce in any medium, or print all information on any or all of the Data. We may use any or all of the Data at any time and in any manner we choose and may identify the Franchised Business as a source of the Data. We may at any time remove all or any part of the Data.

D. You shall not at any time take any action to prevent our access to any of the Devices and shall take all action necessary to permit us to access the Devices and the Data and download and save the Data at all times. You shall not at any time change the access number, password, or other means or requirement for access to any of the Devices or Data without giving us at least three business days prior written notice of the change and the information necessary to access the Devices and Data. You shall not use all or any part of the Data except as permitted by Applicable Laws, this Franchise Agreement, and the instructions and procedures in the latest version of the Beyond BQA Manual. You shall not alter, tamper with, or remove all or any part of the Data.

E. None of the software we provide shall cover employee scheduling, wages, hours, or any other labor or employment matters. If you have software for any of those purposes, you shall obtain it without our participation and all information or data on it and all Data pertaining to labor, employment, and employee matters shall belong solely to you.

12.3 **Updating and Replacement**. You shall update and/or replace the Point of Sale Software, C-Store Software, Other Software, Back Office Computer System, and/or Point of Sale System as required from time to time by the latest version of the Beyond BQA Manual. You shall acquire, install at locations in or on the Franchise Location we designate, and use additional, different, or replacement electronic equipment, devices, or systems we designate, making space in your Beyond Food Mart® as necessary (collectively, "Additional Devices"). You shall establish and maintain all communications connections between any or all of the Additional Devices and the Back Office Computer System, C-Store Software, Point of Sale

System and Software, any Additional Devices, and any other equipment or devices on which you store data related to your Beyond Food Mart®, any of the FFE, and/or any other devices, systems, intranets, and/or extranets we designate, all as required from time to time by the latest version of the Beyond BQA Manual. The Back Office Computer System, Point of Sale System, Additional Devices, and any other equipment or devices on which you store data related to your Beyond Food Mart® are referred to collectively as the "Devices". At the end of the term of this Franchise Agreement, you shall deliver possession of the Back Office Computer System.

12.4 Data Collection and Security. You shall at all times comply with Applicable Laws in the collection, storage, and use of customer information. You shall at all times employ current state of the art devices and practices to protect the security of all data on or in the Point of Sale System, C-Store Software, Business Database, or any of the Devices from unauthorized access, including (without limitation) installing firewalls, virus protection software, and using high security passwords. Within two hours after you learn of any breach of any of the Devices, C-Store Software, Point of Sale Software, or Business Database you shall deliver notice to us by email to the email address listed in the latest version of the Beyond BQA Manual and by calling our main office telephone number and implement all other procedures required by Applicable Laws.

12.5 Gross Revenue Report. At or before midnight on the fifth day of each calendar month throughout the term of this Franchise Agreement, you shall deliver to us electronically a Gross Revenue report on the form provided in the C-Store Software or specified in the latest version of the Beyond BQA Manual, covering the preceding calendar month. If you do not deliver any Gross Revenue report as and when required by this Section, in addition to all other remedies available to us, we may compute your Gross Revenue for that period from Your Records as defined in Section 12.8 or any other source we determine is reasonable and you shall pay us on demand and we may electronically withdraw from your Business Account as provided in Section 3.4 all funds payable based on that computation, which shall be conclusively presumed to be your Gross Revenue for that period and shall not be subject to reduction for any reason but may be subject to increase if a subsequent audit shows your Gross Revenue was understated in Your Records or any other source we used to compute Gross Revenue as permitted by this Section.

12.6 Other Periodic Reports. On or before the dates we have designated in the latest version of the Beyond BQA Manual, you shall deliver to us electronically the reports for the periods we have designated in the latest version of the Beyond BQA Manual, all of which shall be for the appropriate period and on and in the form provided in the C-Store Software or specified in the latest version of the Beyond BQA Manual. Within 30 days after the end of each calendar year, you shall deliver to us electronically a profit and loss statement and balance sheet for the Franchised Business for the preceding calendar year on the form provided in the C-Store Software or specified in the latest version of the Beyond BQA Manual. All reports, profit and loss statements, and balance sheets shall be prepared in accordance with generally accepted accounting principles consistently applied from applicable period to applicable period and certified by you or your chief executive or chief financial officer to be true, correct, and complete.

12.7 Sales Tax Returns; Other Reports. You shall deliver to us on or before the 25th day of each calendar month a copy of all sales tax returns, occupation tax reports, and other similar returns or reports prepared by you or on your behalf for the preceding calendar month. You shall deliver to us within five days after you receive it a copy of any report or statement of earnings, sales, or receipts, profit and loss statement, balance sheet, cost accounting, report of audit, and any other document reporting, summarizing, compiling, or projecting the gross or net income or revenue, sales, profits, expenses, or costs of the Franchised Business or Franchise Location received by or prepared by, for, or on behalf of you or at your request.

12.8 **Books and Records**. You shall keep at the Franchise Location at all times during the term of this Franchise Agreement complete books of account, records, ledgers, receipts, check records, transactions records, and all other documentation of the Gross Revenue, receipts, and expenses of the Franchised Business in the form and medium provided in the C-Store Software or specified in the latest version of the Beyond BQA Manual, including (without limitation) the Business Database; records of cash receipts and barter transactions; sales tax returns and statements; payroll records; cancelled checks; invoices; bank statements for all accounts into which any of the Gross Revenue or the receipts from the Franchise Location or the Franchised Business are deposited or out of which any expenses of the Franchise Location or the Franchised Business are paid; federal, state, and local income tax returns for the Franchised Business; and all other records or reports you used to record, compile, account for, or report cash flow, expenses, gross or net income, or gross or net revenue or sales (collectively, "Your Records") for the preceding three years. You shall retain Your Records for at least the three prior calendar years (and any longer retention period required by Applicable Laws) in your possession throughout the term of this Franchise Agreement and shall retain in your possession for at least three years after the expiration or termination of this Franchise Agreement Your Records for the three calendar years immediately before the expiration or termination of this Franchise Agreement. You expressly waive any privilege not to disclose income tax returns.

12.9 **Our Access; Inspections and Audits; Penalties**.

A. Our representatives may inspect, copy, and/or audit any and all of Your Records and inspect and/or audit your Point of Sale System totals, Beyond Inventory, and/or inventories at any time during the term of this Franchise Agreement and for three years after the expiration or termination of that term. You shall make Your Records available to us at the Franchise Location or deliver Your Records to us on demand at a location we designate, without any prior notice of any kind, and shall cooperate with us and our representatives in the conduct of any inspection and/or audit. You shall pay us on demand, and we may withdraw electronically as provided in Section 3.4, any deficiency in payments of any kind or nature you have made to us revealed by any audit conducted by you or us or on our behalf, with interest at the maximum rate then legally permitted for commercial transactions from the date the payment was due until we receive payment. If any audit we conduct indicates that your Gross Revenue was understated by 2% or more in any report or statement used as the basis for computing your Gross Revenue, you shall pay us on demand, and we may withdraw electronically as provided in Section 3.4, all expenses we incurred in connection with the audit and collection of the past due royalties, including (without limitation) accountants' and attorneys' fees, plus interest at the maximum rate then legally permitted for commercial transactions from the date we paid the expenses until reimbursement is received. The provisions of this Paragraph shall survive the termination of this Franchise Agreement for any reason or its expiration.

B. We may install a field auditor or auditors at the Franchise Location at any time to monitor your Gross Revenue by observing and noting sales transactions taking place at or from the Franchise Location, with or without identifying that auditor to you. If the field auditor's monitoring reveals actual weekly Gross Revenue during any two week period (the "Audit Period") of 10% more than the average weekly Gross Revenue you reported during the preceding three month period (the "Measuring Period"), you shall pay us on demand, and we may withdraw electronically as provided in Section 3.4, an additional royalty for the Measuring Period in an amount equal to the difference between the average amount of weekly Gross Revenue made during the Audit Period as shown by our field auditor's monitoring and Gross Revenue reported for each week of the Measuring Period, plus interest on the additional royalty at the maximum rate then legally permitted for commercial transactions from the last day of the week of the Measuring Period for which the additional royalty is payable until the date we receive it.

12.10 **Failure to Provide Access, Keep Records, or Make Reports.** If you do not provide us access, maintain records (including, without limitation, the information required to be in your Business Database), or furnish any report or statement as required and in the time specified in this Article, in addition to all other remedies provided by this Franchise Agreement, after giving you at least five days notice of our intention to do so, we may appoint a certified public accountant to inspect and audit the C-Store Software, Point of Sale System, Business Database, Your Records, and/or the Franchised Business and prepare a statement of your Gross Revenue that shall be conclusive on you. You shall pay us on demand, and we may withdraw electronically as provided in Section 3.4, all royalties that audit shows to be due to us and all charges we incurred in connection with the audit, preparation of the statement, and collection of past due royalties, including (without limitation) accountants' and attorneys' fees, plus interest on all the past due fees and all charges we incurred at the maximum rate then legally permitted for commercial transactions from the date the royalties were due or we paid the charges, respectively, until payment is received.

12.11 **Publication, Confidentiality, and Use of Sales, Earnings, and Profits**. We may use your gross and/or net revenue, expenses, income, earnings, and profits in any gross or net revenue or sales, earnings, or profits projections, forecasts, or reports in any disclosure document, earnings projection, or report to franchisees or others we prepare or have prepared, and may identify the Franchise Location as a franchise location on which those projections, forecasts, and reports are based. You shall not discuss your sales, earnings, profits, income, or expenses with any person other than our employees or representatives, your accountant, attorney, and business advisors, any Insider as permitted by Section 1.4D, and any person we confirm is a prospective purchaser of a Beyond Food Mart® franchise.

13.0 NONCOMPETITION; EMPLOYEE SOLICITATION.

13.1 Noncompetition.

A. You acknowledge and agree that (a) the Beyond Business Method (i) is a unique convenience store operating system and business method in which we and Our Affiliates have invested many years of research and development and (ii) involves the use of proprietary products, techniques, methods, and practices we must protect in order to preserve its core value for all of our franchisees, (b) we could not protect the Beyond Business Method against unauthorized use and would not provide training in it or reveal the Beyond Business Method or the contents of the Beyond BQA Manual if you or any of your Insiders, any of Your Affiliates, or your Approved Manager were to operate or be employed by a competing business, and (c) a material part of the consideration we receive for the obligations we undertake and the rights we grant in this Franchise Agreement is the assurance that there will be no such competition and no risk of the unauthorized use of the Beyond Business Method, the Beyond BQA Manual, the Other Proprietary Information, or any of our other trade secrets in a competing business.

B. Neither you, any of your Insiders, any of your Approved Managers, nor any of Your Affiliates or the officers, directors, managers, shareholders, members, partners, or owners of Your Affiliates or any others in direct or indirect concert or participation with you, your Insiders, your Approved Manager, Your Affiliates, or the officers, directors, managers, shareholders, members, partners, or owners of Your Affiliates (all the foregoing, collectively, "Your Interested Parties") shall directly or indirectly (i) divert or attempt to divert or thwart any present or prospective patron of any Beyond Food Mart®, (ii) do anything that directly or indirectly may damage or reduce the goodwill associated with the Beyond Store System or the Beyond Name or Beyond Marks; (iii) cause or encourage any employee of any Beyond Food Mart® to terminate that employment; (iv) own any interest in, be employed by, provide advice or consultation to, or operate any other convenience store or similar facility or business, or (v) have any interest in any entity that directly or indirectly owns any interest in, is employed by, provides advice or consultation to, or operates any convenience store or similar facility or business, at any time during the term of this Franchise Agreement without our prior written consent.

13.2 <u>Employee Solicitation</u>. Except as permitted by Applicable Laws, you shall not at any time solicit or induce any person employed by us, any of Our Affiliates or successors, or any of our other franchisees to sever that employment and enter your employ.

13.3 <u>TRO; Injunction</u>. Because compliance with the restrictions in this Article is vital to prevent immediate and irreparable injury, loss, and damage to the Beyond Store System, our other franchisees, and us, you consent to and will not oppose the granting, without requirement of a bond, of temporary restraining orders and temporary and permanent injunctions against you, your Insiders, and/or Your Interested Parties to enforce the provisions of this Article.

14.0 ADVERTISING; SIGNS; WEBSITE; EXTRANET; TELEPHONE LISTINGS; OUR ADVERTISING MEDIA RIGHTS.

14.1 <u>Definition</u>. For purposes of this Franchise Agreement, the term advertising material shall mean all printed, audio, visual, electronic, or other materials prepared for the purpose of increasing, encouraging, or promoting patronage of the Franchise Location or of Beyond Food Marts in general, or that uses the Beyond Name or any of the Beyond Marks, or that depicts any Beyond Inventory or Beyond Products, and shall include (without limitation) signs; radio spots; television advertisements; newspaper, magazine, internet, or other printed or electronic materials; internet sites, websites or pages, or other electronic databases or sites; social media posts; slogans; jingles; contests; coupons; gift certificates; giveaways; promotional merchandise; posters; flyers; leaflets; brochures; handbills; telemarketing campaigns; and direct mail presentations.

14.2 <u>Advertising Approval; Advertised Prices</u>. Except as permitted in Section 14.5, you shall not use, display, disseminate, or publish any advertising material we have not approved in writing. We shall notify you of our approval or disapproval of any advertising material you deliver to us within 10 days after we receive it. If you do not remove and/or destroy on demand any unapproved advertising material you are displaying or using, we may remove and destroy or cause the host, operator, or owner of the medium or location where is it displayed to remove and destroy that material, entering the Franchise Location as necessary, without being guilty of trespass, conversion, or any other tort. You shall not display or distribute at the Franchise Location or in the area in front of it any material promoting any other person or business without our prior written consent. You shall not advertise in any deceptive or misleading manner.

14.3 Required Use and Participation; Our Publicity Right.

A. You shall use and display advertising material only as we designate or approve. You shall display at the Franchise Location for the period we specify all advertising material we designate or furnish to you. We may require you at your own expense to join and participate in any advertising campaign, special offers, programs, contests, drawings, and similar marketing events or activities (collectively, "Marketing Campaign(s)") we designate, unless Applicable Laws prohibit your required participation. If we designate a vendor for any advertising material, you, at your own expense, shall acquire from the vendor we designate (which may be or include only us or any of Our Affiliates) all advertising material required for your participation in Marketing Campaigns as provided in this Section.

B. If you do not display any advertising material and/or participate in all Marketing Campaigns as provided in Paragraph A of this Section, we and/or our representatives may enter the Franchise Location and place the advertising or Marketing Campaign material in the Franchise Location without being guilty of trespass, conversion, or any similar tort. You shall pay us on demand, and we may withdraw electronically as provided in Section 3.4, all charges we incur in taking that corrective action, the administrative fee then set forth in the Fee Schedule, plus interest at the maximum rate then legally permitted for commercial transactions from the date we paid the charges until reimbursement is received.

C. We may at any time photograph the interior and/or exterior of the Franchise Location and use the photographs for advertising or marketing or any other purpose as we choose. You shall cooperate and shall cause your employees to cooperate with our photographer and other representatives in the taking of photographs of the Franchise Location. You consent and shall obtain consent from your employees for use of those photographs in any advertising or marketing materials.

14.4 Prohibitions; Website.

A. Except as permitted by this Article, you shall not engage in any social media communication that includes the Beyond Name or any of the Beyond Marks or that is used for the Franchised Business nor shall you create, broadcast, stream, or maintain any media broadcast, internet stream or site, web page, social media presence, cloud presence, listing, or other device, broadcast, or internet advertisement, presence, or location promoting or referring to the Franchised Business or that includes the Beyond Name or any of the Beyond Marks without our prior written consent, which may be withheld in our discretion.

B. We shall maintain a Beyond Food Mart® website. Before or concurrently with the Opening, we will add the Franchise Location to the list of Beyond Food Mart® locations on our website. So long as you are not in default under this Franchise Agreement, we will continue to include the Franchise Location in the list of Beyond Food Mart® locations on our website. **We do not make any warranty and disclaim any and all implied warranties that our website will be accessible at all times, will not be hacked or otherwise compromised by any electronic or other attack, or will be secure from unauthorized access.**

C. You shall not establish, maintain, or use any website or other internet presence for or about the Franchised Business (a "Franchisee Website") without obtaining our prior written consent (which may be withheld in our sole and complete discretion). You shall obtain our prior written approval of the content of any Franchisee Website and any use by you of the Beyond Name or Marks anywhere on the internet. Any Franchisee Website you use shall at all times comply with our social media policy as set forth in the latest version of the Beyond BQA Manual.

D. At any time when you are in default under this Franchise Agreement, we may remove any mention or identification of the Franchise Location and your Franchised Business from our website and/or block your access to any website we maintain or control. If you at any time create or maintain a social media presence, cloud presence, internet site, Franchisee Website or other website, or website page for the Franchised Business (collectively, an "Internet Presence") that does not comply with the requirements of this Franchise Agreement, or if you maintain any Internet Presence at any time when you are in default under this Franchise Agreement or this Franchise Agreement has been terminated for any reason, in addition to all other rights and remedies provided by this Franchise Agreement or Applicable Laws, we may remove, disassemble, disable, or destroy all or any part of that social media presence, cloud presence, internet site, or website or page or cause the host, operator, or owner of the social medium, internet site, or website or page to do so, without being guilty of trespass, conversion, or any other tort or crime. If you at any time distribute any coupon or offer any discount or distribute any advertising material in violation of this Article, you shall pay us on demand, and we may withdraw electronically as provided in Section 3.4, the remediation fee in the Fee Schedule.

The provisions of this Section shall survive the termination of this Franchise Agreement for any reason or its expiration.

14.5 Social Media. You may have a presence and communicate with others on Facebook, Twitter, Tumblr, Pinterest, Instagram, and any other social media of which we approve in the social media policy in the latest version of the Beyond BQA Manual or otherwise in writing (collectively, "social media") for purposes of marketing the Franchise Location and the Franchised Business. All of your communications on social media are subject to the requirements of this Franchise Agreement and the Beyond Food Mart® social media policy in the latest version of the Beyond BQA Manual. To the greatest extent permitted by Applicable Law, you shall not permit any of your employees to post anything about the Franchised Business or the Beyond Store System on any social media. Any communication you or any of your employees create on any social media that reflects negatively on the Beyond Store System or otherwise violates the provisions of this Franchise Agreement or the Beyond Food Mart® social media policy shall be a default under this Franchise Agreement. You shall take all action desirable or necessary to prevent the existence of any social media communication that falsely creates the impression that it is from an impartial third party.

14.6 Your Local Advertising. You may develop and use local advertising material for your Franchised Business and have that material produced by a vendor you select, so long as you have obtained our prior written approval of the vendor and all materials. You may implement your own local marketing program for your Franchised Business at your own cost so long as you comply with all marketing standards and criteria set forth in the latest version of the Beyond BQA Manual and obtain our prior written approval of the marketing program. We may withhold or condition approval of your local advertising material, vendor, or marketing campaigns in our discretion and may require that any materials be produced using masters we provide. Your local advertising may include product and service lists, flyers, or advertisements in limited circulation publications or other limited circulation media we have approved but shall not include coupons, gift cards provided by any person or entity other than us, or participation in coupon books or discount buying or membership benefit programs of any kind, all of which you are prohibited from participating in or using.

14.7 Our Advertising Media Rights.

A. You grant us the exclusive right to install, maintain, use, control, display content on, and service the number and kind of advertising display media (including, without limitation, plasma, LCD, LED, fuel dispenser, or similar media display screens and the related operating systems, equipment, and power supplies and any upgrades, improvements, replacements or substitutes for any of them) we choose to install wherever we choose to install them anywhere inside or on the outside of your Beyond Food Mart® or on any part of the Real Property you have the right to occupy, including (without limitation) on fuel dispensers you operate. We shall have the exclusive right and authority to contract with third parties to provide the content on any or all the advertising display media and the exclusive right to all revenue produced through use of any or all of the advertising display media throughout the term of this Franchise Agreement. You shall not install or use in the Franchise Location any device or equipment that serves a function identical or similar to any of the advertising display media. You shall at all times provide all power required to run all of the advertising display media.

B. We may transmit to the advertising display media through a software system, the Internet, or any other medium or means we select (the "delivery system") graphic, audio, and visual displays so that persons in the Franchise Location or the Real Property can view and hear material originating from advertisers, content providers, direct marketers, and other purveyors of consumer related information (the "Content"). You shall not have any interest in or control over the Content. We shall not be obligated to provide Content without interruption.

C. We shall deliver to you in advance on or before the first day of each calendar month commencing on the Opening and continuing until this Franchise Agreement expires or is terminated for any reason a $250 placement fee for all the advertising media displays located in or on your Beyond Food Mart® or the Real Property and a $150 placement fee for any advertising media displays placed on any fuel dispensers on the Real Property. If the Opening occurs on a day other than the first day of a calendar quarter, the initial placement fee(s) payment shall be prorated on the basis of a 30 day month and shall be due and payable five business days after the Opening. Should we fail to make any placement fee payment as and when due, we shall pay you a late charge equal to the lesser of 5% of the placement fee or the maximum rate permitted by applicable law.

D. We shall have the sole and exclusive right to select, add to, delete from, or modify the functionality and characteristics of any or all of the advertising display media at any time. You shall notify us promptly of any malfunction or breakdown of or damage to any of the advertising display media. We shall maintain and repair the advertising display media. Should any of the advertising display media fail to function fully and properly or at all due to any act or omission by you or any of your employees, customers, independent contractor, or other visitors, the placement fee provided in Paragraph B shall be reduced on a *pro rata* basis for each day less than all of the advertising display media function fully and properly and we may offset that amount against any placement fee that becomes due in the future.

14.8 Our Brand Marketing Expenditures. We shall spend annually to market the Beyond Food Mart® brand an amount equal to at least 5% of the royalties we are paid by Beyond Food Mart® franchisees ("Our Marketing Expenditures"). We shall allocate and use Our Marketing Expenditures as we deem appropriate to create and develop local, regional, and national advertising and public relations and marketing campaigns using print, radio, television, electronic, or other media to promote and enhance the value of the Beyond Store System in general.

14.9 Customer Feedback. You shall distribute, ask customers to complete, and return to us all surveys, customer comment cards, and other devices for soliciting customer evaluation we provide to you.

14.10 Signs.

A. We shall acquire from a supplier we select (which may be or include only us or any of Our Affiliates) and have the Contractor install at places in, at, and on the Franchise Location we select signs of the type, appearance, and elevations we select, in any media we select, at any time during the term of this Franchise Agreement, all at our expense (the "Signs"). We shall own all the Signs and cause all Signs to comply with Applicable Laws. You shall keep the Signs clean and in good working order and illuminate during all hours we designate periodically those of the Signs we require be illuminated. You shall provide all power required to illuminate and operate any of the Signs. If any of the Signs requires repair or replacement, you shall notify us immediately and shall promptly take any action we request you take to repair any of the Signs. You shall not erect or display in, at, or on the Franchise Location or use to market or identify the Franchise Location any signs other than the Signs or display any trademark, service mark, name, logotype, or other commercial symbol without our prior written consent. At the end of the term of this Franchise Agreement, you shall deliver possession of all the Signs to us.

B. If you do not maintain the Signs, install signs other than the Signs, or do not illuminate the Signs as we require, in addition to all other rights given us by this Franchise Agreement or Applicable Laws, we and/or our representatives may enter the Franchise Location and erect and/or maintain Signs, remove signs installed in violation of this Section, or illuminate Signs, without being guilty of trespass, conversion, or any similar tort. You shall pay us on demand, and we may withdraw electronically as provided in Section 3.4, all charges we incur in taking that corrective action, plus interest at the maximum rate then legally permitted for commercial transactions from the date we paid the charges until reimbursement is received.

14.11 Copyrights.

A. All Signs and all advertising material we or any vendor we designate or approve delivers to you shall be our sole and exclusive property and we shall be the sole owner of the copyrights in and to the Signs or material. All rights in and to the design and content of the signs described in Section 14.10 are and shall be our sole and exclusive property and we shall be the sole owner of the copyrights to them. You do not and shall not have any license, power, or right to claim or register a copyright on any of that advertising material except the use rights granted by this Franchise Agreement.

B. You shall not at any time contest, directly or indirectly, our sole and exclusive copyrights in all advertising material we or a vendor we designate or approve deliver to you and all reproductions of any of that advertising material, all signs described in Section 14.10 and all other copyrighted materials delivered or licensed to you under this Franchise Agreement.

14.12 Extranet. You shall use as required by the latest version of the Beyond BQA Manual any computer network that allows controlled access from outside of our computer intranet (the "Extranet"). You shall protect all passwords and other access devices for the Extranet from disclosure to anyone except as permitted by this Franchise Agreement or the Beyond BQA Manual and shall use the Extranet only as permitted or required by the latest version of the Beyond BQA Manual and only during the term of this Franchise Agreement.

14.13 Telephone Listings. The Franchise Location's primary voice land telephone line shall be listed and identified exclusively with the Franchised Business in all business telephone directories distributed by any third party in the geographical area of which the Franchise Location is a part and shall be included in all local advertising you prepare. All telephone listings shall identify the Franchised Business as a Beyond Food Mart® franchise.

14.14 Publicity. You shall report to us by electronic mail immediately any unplanned event or occurrence at the Franchise Location or involving the Franchised Business in any way that is or is likely to be covered by local news media, mentioned in social media sites, or otherwise be the subject of publicity or public comment. To protect the reputation and public image of the Beyond Store System, you shall not make or give any public statement regarding any unplanned occurrence or event at the Franchise Location or involving the Franchised Business to any news medium or post on the internet or in any social media any statement regarding any unplanned event or occurrence at the Franchise Location or involving the Franchised Business. All those communications shall be handled and made only by us.

15.0 OVERSIGHT; MANAGER; PERSONNEL; EFFORTS.

15.1 Oversight. You or if you are an entity a person who owns no less than 10% of your equity who has been approved by us ("Approved Principal") shall at a times be personally responsible for the day to day oversight and administration of the Franchised Business and shall visit the Franchise Location and review its Appearance and the conduct of business at it no less than once each calendar week.

15.2 Manager.

A. Throughout the term of this Franchise Agreement your Beyond Food Mart® shall be managed on a daily basis by someone who has successfully completed the training described in Article 7 and who remains qualified to be the person principally responsible for the on-site day to day operation of your Beyond Food Mart® (an "Approved Manager"). Your Approved Manager shall be present at the Franchise Location and actively engaged in the conduct of business at the Franchise Location no less than 50 weeks each calendar year, no less than 40 hours each week, Monday through Friday between 8 AM and 5 PM local time, and supervise, oversee, administer, and manage operation of the Franchise Location and the Beyond Food Mart® during those hours.

B. At least four weeks before the Opening you shall deliver to us notice of the proposal of at least one Approved Manager (the "Appointment Notice"), who may be you or one of your owners. Your Appointment Notice shall provide for each proposed Approved Manager the name, address, personal telephone landline and mobile phone numbers, home address, personal email address, and your certification that each proposed Approved Manager can legally sell tobacco and alcoholic beverages and is a legal resident of the United States of America.

C. You shall update periodically as necessary the name, home address, home and mobile telephone numbers, and personal email address of each Approved Manager. You shall notify us immediately upon determining or learning that you must change any Approved Manager.

15.3 Sole Responsibility. You are solely responsible for hiring, training, performance, conduct, compensation, employment termination, promotion, discipline, and all other matters pertaining to the personnel employed by you in the Franchise Business and for compliance with all Applicable Laws pertaining to their employment, except that each Approved Manager must fulfill the requirements of Section 15.2. We shall not participate in shall have no responsibility for any Franchise Business employment decisions.

15.4 Uniforms; Hygiene. To assure brand identity and reinforce trade dress, you shall require each of your employees to wear during the time the employee is working at the Franchise Location a uniform of the style and color designated for that employee in the latest version of the Beyond BQA Manual. You shall obtain from us or any supplier we designate or approve periodically (which may be or include only us or any of Our Affiliates) all uniform components that bear any of the Beyond Name or Beyond Marks.

15.5 Efforts and Hours. You shall use your best efforts to operate the Franchised Business in a manner that will produce the maximum volume of Gross Revenue and shall keep the Franchise Location open for business seven days each week, 24 hours each day, except to the extent prohibited by any Applicable Laws or of requirements of any retail commercial facility or development of which the Franchise Location is a part. If you at any time do not keep the Franchise Location open for business seven days each week, 24 hours each day, in addition to all other sums payable under this Franchise Agreement, you shall pay us on demand, and we may withdraw electronically as provided in Section 3.4, a penalty assessment equal to 2% of your Gross Revenue during the latest equivalent period when the Franchise Location was open and operating during all required operating hours.

16.0 QUALITY CONTROL; CUSTOMER COMPLAINTS; FRANCHISEE ASSOCIATION.

16.1 Inspection.

A. We may at any time have one or more of our employees or a third party quality control inspector or mystery shopper visit the Franchise Location, anonymously if we choose, to monitor and evaluate the operation of the Franchised Business. We shall deliver to you within 15 business days after any quality control visit a copy of any report prepared by the inspector and you shall consult with our representative about the results of the inspection and the implementation of any corrective action recommended by the inspector. You shall implement any recommended corrective action immediately after consulting with our representative to review the inspector's report.

B. We and our representatives may at any time enter, with or without notice, the Franchise Location, observe the operation of the Franchised Business, conduct inspections and evaluations of the Franchise Location, the FFE, the Beyond Inventory, C-Store Software, Point of Sale System, Business Database, and/or any of the supplies, goods, merchandise, books, and/or records located in the Franchise Location. We may at any time inspect any and all books or records related to the Franchised Business and/or your operation of the Franchise Location wherever they may be located. We may at any time talk with, interview, or question any of your present or former employees, whether or not that employee works or is present at the Franchise Location during that conversation, interview, or questioning. You shall cooperate and shall cause each of your employees to cooperate with us and our representatives in the conduct of any inspection, evaluation, conversation, interview, or questioning. We may prepare or have prepared a written report of the results of any inspection or evaluation. If a written report is prepared, we shall deliver a copy of the written report to you promptly after it is completed. You shall immediately commence correction of any failure to comply with this Franchise Agreement in any respect that is identified by us and/or our representative of which you are given notice verbally or in writing and diligently pursue that correction to completion.

C. If you obtain a score of less than 80% in any area that is the subject of any inspection or evaluation, within three days after you receive a written or verbal report of the inspection or evaluation you shall take all action necessary to raise your score in every area to 80%.

16.2 Resolving Customer Complaints. You shall respond immediately to any customer complaint and use your best efforts to resolve the complaint to the customer's satisfaction immediately, making refunds and providing complimentary goods or services as appropriate. If you have not resolved any customer complaint by the day after you receive it, you shall report that complaint to us by sending us by electronic transmission the latest form of Complaint Report included in the Beyond BQA Manual. At any time after receipt of a Complaint Report or a complaint directly from a customer, we may (but do not have to) take any action to assist in resolving it or mandate a resolution that you shall implement at your sole cost.

16.3 Franchisee Association. We may at any time establish one or more franchisee associations and/or advisory councils (collectively, "franchisee association"). We shall determine the form, structure, nature, purpose, membership, and role of any franchisee association we create and the bylaws, rules, regulations, and procedures that govern its operation. If we establish a franchisee association with a membership that includes your Franchised Business, you shall be a member of and participate in that franchisee association.

17.0 INSURANCE.

17.1 Liability. You shall obtain and maintain in full force and effect throughout the term of this Franchise Agreement public liability, property damage, and product liability insurance with a single combined liability limit of not less than $2,000,000, insuring against all liability of you, Your Interested Parties, and your agents and employees arising out of or in connection with the operation of the Franchised Business or use of the Franchise Location, including all damage from signs, glass, fixtures, equipment, or other appurtenances situated in or on the Franchise Location now or at any later date.

17.2 Fire, Theft, Extended Coverage. You shall obtain and maintain throughout the term of this Franchise Agreement a policy of standard fire, theft, and extended coverage insurance with vandalism and malicious mischief endorsements, covering all the personal property, improvements, alterations, trade fixtures, and equipment (including, without limitation, the FFE) in, on, or about the Franchise Location to the extent of at least 100% of their actual replacement value. The proceeds of this policy shall be used to replace the personal property and/or restore all improvements on and alterations to the Franchise Location.

17.3 Dramshop. If you sell beer, wine, or other alcoholic beverages at your Beyond Food Mart®, you shall obtain and maintain throughout the term of this Franchise Agreement dramshop coverage.

17.4 Business Interruption. You shall obtain and maintain throughout the term of this Franchise Agreement a business interruption insurance policy insuring that if the Franchise Location is destroyed or rendered inaccessible by a risk insured against under a standard fire, theft, and extended coverage insurance policy with vandalism and malicious mischief endorsements, we shall be paid a monthly royalty equal to the highest royalty payment we received during the prior 12 month period for a period of up to one year.

17.5 Additional Insured; Provisions; Other Coverage. We shall be additional named insured on all policies of insurance carried by you on the Franchise Location or its contents or with respect to the Franchised Business, except worker's compensation insurance. Your public liability coverage shall include General Commercial Liability Endorsement CG 20 29 04 13 – Additional Insured – Grantor of Franchise. All policies of insurance you carry shall: (a) be primary and noncontributing with any other insurance; (b) be written by a company or companies authorized to engage in the business of general liability insurance in the state in which the Franchise Location is situated, with a Best's Insurance Guide rating of at least A-7; (c) contain cross-liability endorsements; and (d) contain an endorsement requiring 30 days written notice to us before the policy may be cancelled or altered. You shall deliver to us at least 15 days before the Opening and at least 20 days before expiration of each policy term, certificates of insurance evidencing the coverage required by this Article, with evidence that the premiums have been paid. You shall obtain any other or additional insurance you think is appropriate or desirable. We make no representation or warranty that the insurance required by this Article covers all the risks against which you, the Franchised Business, or the Franchise Location should be insured.

17.6 Waiver of Subrogation. You and we release one another and you release Our Affiliates, and Our Affiliates' respective officers, directors, shareholders, agents, employees, independent contractors, accountants, attorneys, consultants, and representatives (collectively, "Related Parties") from any claims for damage to any person, the Franchise Location, and/or the buildings, fixtures, equipment, personal property, improvements, or alterations located in or on the Franchise Location caused by or resulting from risks insured against under any insurance policies carried by you or us and in force at the time of the damage. You shall cause each insurance policy you obtain to provide that the insurance company waives all right of recovery by way of subrogation against us and/or our Related Parties in connection with any damage covered by any policy.

17.7 Remedies. If you do not obtain and maintain any of the insurance required by this Article within five days after our demand for compliance, in addition to all other rights or remedies given us by this Franchise Agreement or Applicable Laws, we may, but have no obligation to, obtain and maintain that coverage. You shall pay us on demand, and we may withdraw electronically as provided in Section 3.4, all charges we incur to obtain and maintain the coverage, plus interest at the maximum rate then legally permitted for commercial transactions from the date we paid the charges until reimbursement is received.

17.8 Increases. You shall increase the insurance coverage required by this Article at any time during the term of this Franchise Agreement, but not more frequently than once each year, upon receipt of notice that we have determined that the amount of that insurance is inadequate and shall deliver to us within 30 days after receipt of that notice a certificate evidencing the increased coverage.

18.0 INDEMNITY. Because you will be actively operating and controlling the Franchise Location and Franchised Business, you shall indemnify, defend, and hold harmless us, Our Affiliates and our Related Parties and their and our respective successors and assigns from and against any loss, claims, costs, demands, liabilities, obligations, duties, damages, causes of action, actions, and expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants', and expert witness fees at trial and on any appeal) arising out of or related in any manner whatsoever to the Franchised Business and/or your use or occupancy of the Franchise Location or any improvements, fixtures, or equipment located in or on it.

19.0 TAXES AND ASSESSMENTS; PERMITS AND LICENSES.

19.1 Your Duty. You shall pay on or before the due date all payroll, personal property, franchise, sales, and other taxes or assessments imposed by any governmental entity or agency on or on account of the conduct of the Franchised Business or its receipts, other than income taxes on our income. If any of those taxes are levied against or paid by us, you shall reimburse us for those taxes on demand. You shall obtain and timely renew all permits and licenses required by any governmental entity or agency for operation of the Franchised Business or your use or occupation of the Franchise Location.

19.2 Remedies. If you do not pay any taxes or obtain any permits or licenses described in Section 19.1 within five days after the earlier of notification of noncompliance or our demand for compliance, in addition to all other rights and remedies given us by this Franchise Agreement or Applicable Laws, we shall have the right, but no obligation, to pay those taxes (including any penalties and/or interest charges) or obtain those permits or licenses for you and on your behalf. You irrevocably designate, constitute, and appoint us your attorney-in-fact for those purposes. You shall pay us on demand, and we may withdraw electronically as provided in Section 3.4, all sums we spend for those taxes, permits, and licenses, plus interest at the maximum rate then legally permitted for commercial transactions from the date we paid the monies until repayment is received.

20.0 LIMITATIONS ON ASSIGNMENT.

20.1 Consent Required. To assure your continued personal responsibility for the operation of the Franchised Business and to protect the Beyond Name, Beyond Marks, Beyond Business Method, goodwill, and reputation and the Other Proprietary Information for the benefit of us and all Beyond Food Mart® franchisees, neither all nor any part of your interest in this Franchise Agreement, the Franchised Business, or the Franchise Location shall be assigned, sold, transferred, encumbered, or otherwise disposed of, voluntarily or by operation of law, without our prior written consent, which shall not be unreasonably withheld but may be withheld if the transfer is to a trust through which ownership would pass automatically upon death of the trustor and may be conditioned on fulfillment of any reasonable conditions (including, without limitation, those in Article 21) and may be denied on any reasonable grounds, including (without limitation) that: (a) the offer and sale of a Franchised Business to the proposed assignee does not constitute an exempt offer under both the Federal Trade Commission Franchise Rule and all other applicable laws pertaining to the offer or sale of franchises, (b) we consider the proposed recipient not to be sufficiently qualified to operate the Franchised Business based upon our assessment of the proposed recipient's business acumen, aptitude, experience, capability, financial stability or responsibility, involvement in another business enterprise, or other relevant characteristics; (c) we consider the purchase price and terms to provide for compensation that will create too great a risk that the transferee will default under the Franchise Agreement; (d) you do not propose to assign, sell, transfer, or otherwise dispose of all of your interest in this Franchise Agreement, the Franchised Business, the Franchise Location, and the FFE; or (e) you are in default under this Franchise Agreement or any other agreement with us or any of Our Affiliates. No transfer shall be made unless you assign to the transferee the Lease or, if you own the Franchise Location, sell the Premises to the transferee or grant the transferee the right to occupy the Franchise Location for the balance of the term of this Franchise Agreement.

20.2 Information. In connection with a request for consent to a Transfer, you shall deliver to us in writing (a) the name of the proposed transferee; (b) a description of the interest of which you propose to dispose, the nature of the proposed disposition, and the proposed consideration, terms, and conditions, if any; (c) a complete copy of the proposed form of Transfer documents and all contracts, instruments, and agreements relating to the proposed Transfer together with your certification that those constitute true and complete copies of all of the documents to be executed in connection with the Transfer and embody all of the terms and conditions agreed to between you and the proposed transferee; (d) the proposed transferee's completed application on the form we are then using and any other information regarding the proposed assignee we require; (e) the proposed transferee's consent to and our receipt of a report of an investigation of the proposed transferee by a third party source we select that is satisfactory to us; (f) all documents relating to the conditions set forth in Section 20.1; and (g) any other financial or other information we request concerning the proposed transferee or the Transfer.

20.3 Deemed Transfers. The following shall be deemed to be transfers requiring consent under this Article: (a) any transfer to a trust, corporation, partnership, limited liability company, or other entity; (b) if you are a corporation or limited liability company, any conversion, dissolution, merger, consolidation, or other reorganization, or sale or other transfer of any shares or membership units to a person or entity that is not an existing shareholder or member, or any sale of assets or change in the chief executive, operating, or financial officer or any manager; (c) if you are a partnership, any change in or withdrawal of any partner or conversion, merger, consolidation, or other reorganization or any dissolution of the partnership; and (d) if you consist of more than one person, any transfer from one person to any other.

20.4 Effect; Disclosure.

A. Any attempt to assign, sell, transfer, encumber, or otherwise dispose of any interest in this Franchise Agreement or the Franchised Business other than in accordance with the provisions of this Franchise Agreement shall be null and void. Our consent to one assignment, sale, transfer, encumbrance, or other disposition shall not be deemed a waiver of this provision or consent to any subsequent assignment, sale, transfer, encumbrance, or other disposition. Our approval of any proposed transfer by you shall not be construed as a representation or warranty by us that the terms or conditions of the proposed transfer are economically sound or that the proposed transferee will be capable of successfully conducting the Franchised Business.

B. We may, but are not obligated to, furnish any prospective transferee with copies of any financial information relating to the Franchised Business in our possession. We may, but are not obligated to inform any prospective transferee of any claimed uncured breach or default by you under this Franchise Agreement or any other agreement relating to the Franchised Business.

20.5 **Transfer by Us**. We may sell or assign all or any portion of our interest in this Franchise Agreement or the Beyond Store System to any person or entity who expressly assumes those obligations in writing at the time of the transfer. We may encumber all or any part of our interest in this Franchise Agreement or the Beyond Store System at any time.

21.0 CONDITIONS TO ASSUMPTION OF YOUR INTEREST; FEE.

21.1 **General Conditions.** No person or entity may succeed to your interest in this Franchise Agreement or operate the Franchised Business in your place unless and until:

a. If Applicable Law requires, the prospective transferee has received and acknowledged receipt of the form of Franchise Disclosure Document we are then using for renewals and transfers and the waiting period prescribed by Applicable Law has expired;

b. The prospective transferee's Approved Manager(s) and, if applicable, Approved Principal satisfactorily complete a course of training we prescribe and we receive payment for that training;

c. The prospective transferee has executed a copy of the form of Franchise Agreement we are then offering to prospective assignees of single unit franchises;

d. The prospective transferee has the right to occupy the Franchise Location for the balance of the term of the Franchise Agreement;

e. Concurrently with the request for approval we have received payment of a $1,000 nonrefundable transfer application fee and a $9,000 nonrefundable franchise transfer fee;

f. Any breach of your obligations to us has been cured;

g. All sums payable by you to us before the effective date of the transfer have been paid or arrangements satisfactory to us have been made for the assumption of those obligations by Your Successor as defined in Section 23.1A; and

h. Each individual who will be the franchisee or each person who will be an owner of any entity franchisee has executed and delivered to us an Owner's Agreement in the form we are then requiring or any other form we are then using for that purpose; and

i. You and each person who has previously executed an Owner's Agreement in connection with the grant of the franchise to you has executed and delivered to us a general release in our favor on the form we are then using for that purpose.

21.2 **Entity Conditions.**

A. In addition to the requirements in Sections 20.1 and the conditions in Section 21.1 and any other reasonable conditions, our consent to any Transfer of your interest in this Franchise Agreement or the Franchised Business or your conversion to a corporation or limited liability company may be conditioned on any or all of the following: (i) all the shares of stock or units of membership of the corporation or company being owned in the same proportions as you were owned or our consenting to the transfer of a portion of the shares or units to holders other than you and you agreeing in writing to own legally and beneficially a majority of the shares or units at all times during the term of this Franchise Agreement; (ii) the certificates evidencing shares or units bearing an appropriate legend prominently disclosing the existence of the restrictions on transfer contained in this Franchise Agreement; (iii) the governing documents requiring and you or your principal executive officer agreeing to serve as the principal executive officer of the corporation or manager of the company at all times during the term of this Franchise Agreement; and (iv) each shareholder or member executing a personal guarantee of the corporation or company's obligations to us.

B. In addition to the requirements in Section 20.1 and the conditions in Section 21.1 and any other reasonable conditions, our consent to a Transfer, or other disposition of your interest in this Franchise Agreement or the Franchised Business or your conversion to a partnership may be conditioned on any or all of the following: (i) our approval of the composition of the partnership and the business acumen, aptitude, experience, financial stability or responsibility, and other relevant characteristics of each partner; (ii) the execution of a written partnership agreement that provides that no interest in the partnership shall be transferred or change in partnership composition made without our prior written consent and approval; and (iii) the partnership being a general partnership.

22.0 RIGHT OF FIRST REFUSAL.

22.1 Right, Exercise, Agreement.

A. If you propose to assign, sell, transfer, or otherwise dispose, with or without consideration, of all or any portion of your interest in this Franchise Agreement, the Franchised Business, or the Franchise Location real property and/or improvements or, if you are an entity, any interest in you, you shall give us written notice of the proposed assignment, sale, transfer, or other disposition, including a description of the interest of which you propose to dispose, the identity of the proposed transferee, the nature of the proposed disposition, and the proposed consideration, terms, and conditions, if any. Unless the transfer described in the notice is a conversion to a different form of entity without any change in equity ownership or a lifetime transfer to your spouse, domestic partner, or issue or the trustee of a trust the sole beneficiaries of which are you, your spouse, domestic partner, or issue, or some combination of them and will not result in any change in the day-to-day management of the Franchised Business, we or our nominee shall have the first right to acquire the interest described in your notice by giving you notice of the exercise of that right within 30 days after we receive your notice and all of the information described in this Section.

B. If the event triggering exercise of our right of first refusal is a proposed asset sale, there shall be appended to our notice of exercise an asset purchase agreement for the purchase and sale of those assets to us or our nominee at the price and on the terms set forth in your notice but in any event (a) providing for a 30 day due diligence period and a right for the buyer to cancel during that period, (b) containing the representations and warranties and cross-indemnity provisions commonly contained in an asset purchase agreement for sale of the assets of a convenience store, (c) containing conditions to closing commonly contained in an asset purchase agreement for sale of the assets of a convenience store, and (d) setting forth a place and a date no less than 45 nor more than 120 days later for transfer to us or our nominee of the assets described in your notice in return for the consideration, if any, described in your notice, but permitting us or our nominee to substitute an equivalent sum of cash for any consideration other than cash (the "APA"). You shall execute the APA within 10 business days after delivery of our notice and we shall execute the APA within five business days after you deliver an executed counterpart to us.

C. If the event triggering exercise of our right of first refusal is a proposed transfer of an interest in you, there shall be appended to our notice of exercise a purchase and sale agreement for the purchase and sale of that interest to us or our nominee at the price and on the terms set forth in your notice but in any event (a) providing for a 30 day due diligence period and a right for the buyer to cancel during that period, (b) containing the representations and warranties and cross-indemnity provisions commonly contained in an agreement for transfer of the interest you propose to sell, (c) containing conditions to closing commonly contained in an agreement for sale of the interest you propose to sell, (d) setting forth a place and a date no less than 45 nor more than 120 days later for transfer to us or our nominee of the interest described in your notice in return for the consideration, if any, described in your notice, but permitting us or our nominee to substitute an equivalent sum of cash for any consideration other than cash (the "PSA"). You shall execute the PSA within 10 business days after delivery of our notice and we shall execute the PSA within five business days after you deliver an executed counterpart to us.

22.2 Non-Exercise. If we do not exercise the right of first refusal in Section 22.1, subject to the provisions of Articles 20 and 21, you may transfer the interest described in your notice to the party named in your notice, in the manner, for the consideration, if any, and on the terms and conditions, if any, in your notice; provided, however, that if the transfer is not made within 90 days after the expiration of the right of first refusal in Section 22.1, any subsequent disposition shall be deemed to be a disposition subject to that right of first refusal. Any change in the consideration, terms, and/or conditions in your notice shall constitute a new offer and require compliance with Articles 20 and 21. Nothing contained in this Section shall be deemed or construed to give you the right to dispose of any interest in this Franchise Agreement or the Franchised Business other than in compliance with Articles 20 and 21.

23.0 RIGHT TO REQUIRE SALE ON DEATH, DISABILITY, OR DEADLOCK; RIGHT TO INTERIM MANAGER.

23.1 Right.

A. If you are (i) an individual or single owner entity and you or the single owner dies, are rendered incapable of attending to the Franchised Business for a period in excess of 60 days, are certified as mentally incompetent by a medical doctor duly licensed to practice medicine, or have a guardian or conservator appointed, (ii) an entity and the Approved Principal dies, is rendered incapable of attending to the Franchised Business for a period in excess of 60 days, is certified as mentally incompetent by a medical doctor duly licensed to practice medicine, or has a guardian or conservator appointed, or (iii) a multi-owner entity or more than one individual and we deliver written notice that we have determined that a dispute has developed between or among you or the owners of the entity, as the case may be, that is adversely affecting the Franchised Business (all, individually and collectively, an "Option Occurrence"), whether or not the Franchised Business has previously been transferred to a trust, we may require that you or your heirs, beneficiaries, personal representative, estate, guardian, conservator, or other successor in interest or the trustee of any trust, as the case may be (individually and collectively, "Your Successor") list with a licensed business opportunities broker qualified to sell a Franchised Business and sell within 180 days for the best offer obtained within 120 days after listing, subject to the right of first refusal given us in Section 22.1, all of your interest in this Franchise Agreement, the Franchised Business, and the FFE, and sell, lease, sublease, or otherwise grant the buyer the right to occupy the Franchise Location on terms comparable to those you would obtain in the open market but including, without limitation, the requirements of Section 4.2, for the balance of the term of this Franchise Agreement.

B. Within 10 days after any Option Occurrence described in Paragraph A(i) or (ii), you or Your Successor shall deliver to us written notice of the Option Occurrence. We shall exercise the right to require sale based on an Option Occurrence described in Paragraph A(i) or (ii) by giving you or Your Successor notice of exercise within 120 days after we receive written notice from you or Your Successor or otherwise learn of an Option Occurrence described in Paragraph A(i) or (ii). We shall exercise the right to require sale given us based on an Option Occurrence described in Paragraph A(iii) by giving you notice of exercise concurrently with or at any time after we deliver the notice provided for in Paragraph A(iii). Within 20 days after receipt of our notice of exercise of the right to require sale based on an Option Occurrence described in Paragraph A(i) or (ii) or within 20 days after we exercise the right to require sale based on an Option Occurrence described in Paragraph A(iii), you or Your Successor, as the case may be, shall deliver to us written evidence of the listing required by Paragraph A.

C. If we do not exercise any of the rights in Paragraph A after an Option Occurrence described in Paragraph A(i) or (ii) and you are not then in default under this Franchise Agreement, you may continue to operate the Franchised Business or Your Successor may succeed to your interest in this Franchise Agreement and the Franchise Location and operate the Franchised Business after satisfying the conditions in Article 21 and unless and until we exercise the rights in Paragraph A.

23.2 <u>Manager</u>. During any period of your incapacity if you are an individual or on the happening of any Option Occurrence, whether or not we exercise any of the rights in Section 23.1A, we may appoint a manager (who may be our employee) to oversee operation of the Franchised Business until, if you are an individual and temporarily disabled, you are capable of attending to the Franchised Business or, in any other case, a transfer of your interest in this Franchise Agreement is effected in accordance with this Franchise Agreement. You or Your Successor, as the case may be, shall pay our charge for the manager's salary, any transportation, travel, lodging, or related living expenses, and the management administration fee in the Fee Schedule within 30 days after receipt of an invoice.

24.0 NOTICE OF CLAIMS. You shall not initiate any lawsuit or other legal action against us unless no less than 45 days prior to initiating the lawsuit or other legal action you deliver to us a statement setting forth the claims you would make and a detailed description of the basis for them, including the factual and legal support for them (a "Claim Notice"). During the 45 day period provided by the preceding sentence, you shall meet and confer with us at mutually agreeable times as we request to attempt to resolve the claims that are the subject of the Claim Notice.

25.0 OUR TERMINATION RIGHTS. In addition to all other rights given us by this Franchise Agreement or by law, we may terminate this Franchise Agreement if you:

a. Fail to pay any sum due and payable to us as and when required by this Franchise Agreement and do not make that payment, including all applicable late charges and interest, within five days after receipt of notice from us;

b. Fail to adhere to the brand designations or approvals, product, supply, FFE, and other specifications, standards, rules, regulations, methods, techniques, and procedures in latest version of the Beyond BQA Manual and do not take appropriate corrective action within three days after receipt of notice from us;

c. Fail to carry any item in the Beyond Inventory or offer or sell at the Franchise Location any other goods, products, or merchandise other than Flex Items permitted by Section 10.3 without our prior written consent and do not take appropriate corrective action within three days after receipt of notice from us;

d. Violate the requirements of Section 1.3 regarding use of the Beyond Name, Beyond Marks, or Beyond Business Method and do not take appropriate corrective action within three days after receipt of notice from us;

e. Violate the restrictions in Section 1.3 regarding use of the Beyond Name, Beyond Marks, or Beyond Business Method;

f. Permit access to the Beyond BQA Manual or disclose, divulge, disseminate, display, duplicate, reveal, reproduce, publish, sell, show, or communicate the Beyond Business Method, any of the contents of the Beyond BQA Manual, or any of the Other Proprietary Information to any person or entity except as permitted by this Franchise Agreement;

g. Fail to use and maintain all reporting and data systems and/or make any report or maintain and retain any records in accordance with Article 12 and do not cure that failure within five days after receipt of notice from us;

h. Fail to enter in the Point of Sale System any item of Gross Revenue or submit to us on three or more occasions during the term of this Franchise Agreement, whether or not consecutive, reports of Gross Revenue that any audit or audits we conduct reveals to have understated Gross Revenue by more than 2%;

i. Fail to have your Approved Principal oversee the operation of the Franchised Business or fail to have an Approved Manager be present at and work in the Franchise Location as required by this Franchise Agreement and supervise, oversee, administer, and manage operation of it, unless prevented by a national emergency, act of terrorism, act of Nature, or disaster;

j. Fail to deliver to us on or before the date described in Section 17.4 evidence of the insurance coverage required by Article 17 and do not obtain that insurance within five days after receipt of notice from us;

k. Have any insurance described in Article 17 cancelled by the carrier and fail to obtain replacement coverage at least five days before the cancellation date;

l. Purport to assign, sell, transfer, encumber, or otherwise dispose of all or any portion of your interest in this Franchise Agreement, the Franchised Business, or you (if you are an entity) in violation of Article 20, 21, or 22;

m. Cease to operate the Franchised Business or do not open the Franchise Location for business for two days in succession, unless that failure is due to an unavoidable labor action; power failure; government action; national emergency, act of war or terrorism, or natural disaster;

n. Fail to comply with any of the Applicable Laws, fail to pay any taxes, or fail to obtain any license or permit described in Section 19.1 within five days after the earlier of notification of noncompliance or receipt of our demand for compliance;

o. Default in performance of any of your covenants, duties, or obligations under this Franchise Agreement or fail to fulfill any condition of this Franchise Agreement not described in subparagraphs (a) through (n) and do not cure that default within 10 days after notice from us;

p. Fail on three or more occasions during any 12 month period to pay when due or have available when we make a direct electronic withdrawal any sum due and payable to us as required by this Franchise Agreement, whether or not the payment was ultimately made;

q. Fail to comply with each and every term, covenant, and condition and to perform on time each of your duties and obligations as required by this Franchise Agreement, other than your obligation to pay us money, on three or more occasions in any calendar year or on more than 10 occasions throughout the term of this Franchise Agreement, whether or not the performance was ultimately rendered;

r. Are the subject of more than six customer complaints in any calendar month or more than 15 customer complaints in any 12 month period;

s. Default in the performance of any of your covenants, duties, or obligations as required by any of the Loan Documents or any other agreement between you and us, any of Our Affiliates, and/or any third party relating to the Franchised Business, the FFE, the Franchise Location, or the Real Property and do not cure that default within the time, if any, allowed for cure;

t. Own any interest in, or any of Your Interested Parties or your Approved Manager owns any interest in, any entity or business that defaults in the performance of any of its covenants, duties, or obligations as required by any other agreement between that party and us or any of Our Affiliates or Related Parties, and/or with any third party relating to any business that is the subject of any franchise, license, or other agreement between that person or entity and us or any of Our Affiliates or Related Parties, and you or the defaulting party do not cure that default within the time, if any, allowed for cure;

u. Have any decree or order for relief issued with regard to you in an involuntary case under any applicable bankruptcy, insolvency, or other similar law in effect now or at a later date or appointing a receiver, liquidator, assignee, custodian, trustee, or similar official for you or any substantial part of the property of the Franchised Business, or ordering the winding up or liquidation of your affairs or the affairs of any of your owners if you are an entity, and that decree or order remains unstayed and in effect for 60 consecutive days;

v. Commence a voluntary case under any applicable bankruptcy, insolvency, or other similar law in effect now or later, or consent to the entry of an order for relief in any voluntary case under any law of that type, or consent to the appointment of a receiver for you or the Franchised Business, or taking by a receiver, liquidator, assignee, custodian, trustee, or similar official of any substantial part of the property of the Franchised Business, or make any general assignment for the benefit of creditors, fail generally to pay your debts as they become due, admit your inability to pay your debts as they become due, or take any action in furtherance of any of the things described above or, if you are an entity, any of your owners does any of those things;

w. Fail to obtain release of any writ of attachment or execution levied against all or any part of your interest in the Franchised Business, the Franchise Location, the Beyond Inventory, the FFE, or any fixtures, equipment, monies, goods, or inventory located in or on the Franchise Location within five days after levy;

x. Fail to satisfy any final judgment against you, the Franchised Business, or (if you are an entity) any of your owners for 30 days without filing a *supersedeas* or other appeal bond and all or any part of the Franchised Business, the Franchise Location, or any of the Beyond Inventory, the FFE, or any fixtures, equipment, monies, goods, or inventory situated at or in the Franchise Location is seized, taken over, or foreclosed on by any government official, creditor, lienholder, or landlord;

y. Commit any act or engage in any conduct that in our commercially reasonable opinion reflects materially and unfavorably on, endangers, or damages any of the Beyond Name, Beyond Marks, or the reputation or operation of the Franchised Business or Beyond Store System, including (without limitation) being convicted of a felony or other criminal misconduct;

z. Make or have made any material misrepresentation to us; or

aa. Cease to have the right to occupy the Franchise Location.

26.0 CONTINUING LIABILITY; LIQUIDATED DAMAGES.

26.1 Continuing Liability. Notwithstanding the termination of this Franchise Agreement under Article 25, we retain all rights and remedies given us by this Franchise Agreement or by law and you shall remain fully liable for the performance of your existing duties and obligations arising out of this Franchise Agreement or the operation of the Franchised Business, including (without limitation) your obligations to maintain Your Records and make them available to us as required by Article 12; your noncompetition and nondisclosure obligations under Article 13; your nondisclosure obligations relating to the Beyond BQA Manual, the Beyond Business Method, the Other Proprietary Information, and any other information this Franchise Agreement provides is proprietary, confidential, or not to be disclosed; your obligation to indemnify us and our Related Parties as provided in Article 18; and payment of: (a) all amounts then due to us or that become due to us as a result of that termination; and (b) all costs and expenses incurred and all profits we have lost as a result of the termination, all of which shall survive the termination of this Franchise Agreement for any reason or its expiration.

26.2 Liquidated Damages. If we terminate this Franchise Agreement prior to expiration of its term because of any act or omission on your part that gives us the right to terminate, you shall deliver to us in a single payment by wire transfer no more than 10 days after the termination date as damages for the losses we incur as a result of the early termination the greater of (a) the minimum royalty or (b) the average of the monthly royalties you have paid during the preceding five years of the term of this Franchise Agreement (or if that is less than five years, the entire preceding portion of the term of this Franchise Agreement), in either case multiplied by the number of months remaining in the existing term of this Franchise Agreement. You acknowledge that the payment rates provided for in this Franchise Agreement are premised on our receipt of payments throughout the full term of this Franchise Agreement and that if we do not receive payment for the full term, we will suffer losses and damages the exact amount of which it would be extremely difficult and impracticable to ascertain. You agree that the payment provided for in this Section represents a fair and reasonable estimate of the losses and damages we will suffer if this Franchise Agreement is terminated prior to its expiration.

27.0 PROCEDURE FOR WINDING UP FRANCHISED BUSINESS.

27.1 Procedure.

A. Upon cancellation, termination, or expiration of this Franchise Agreement, you shall:

i. Stop using the Beyond Name or any of the Beyond Marks, the Beyond Business Method, the Other Proprietary Information, and any item we designate as trade dress from time to time, or any of them, in any manner whatsoever and execute all documents necessary to give notice of cessation, including (without limitation) a statement of abandonment of fictitious, trade, or assumed business name;

ii. Maintain the confidence of and not thereafter disclose or use any information you have regarding the Beyond Business Method or the Other Proprietary Information;

iii. Immediately deliver to us all materials containing the Beyond Name or any of the Beyond Marks or any other names or marks that belong to us, all materials relating or referring to or containing the Beyond Business Method or the Other Proprietary Information, and all materials containing any copyright, symbols, devices, insignia, designs, labels, or logotypes that belong to us or any of Our Affiliates, including (without limitation) all bulletins, instruction sheets, memoranda, guidelines, and forms and irretrievably delete all those from every computer drive or electronic storage medium in your possession or under your control;

iv. Deliver to us at the Franchise Location on a weekday and at a time during normal business hours we designate possession of and title to any Beyond Inventory or FFE that is proprietary to us or part of our trade dress, including (with limitation) Beyond Products;

v. Do all things necessary or appropriate to transfer to us or our nominee all telephone, facsimile, modem numbers, or other electronic communication numbers, URL's, IP addresses, or other addresses used in connection with the Franchised Business and make appropriate changes in directory listings;

vi. Pay us on or before the expiration date or the effective date of the termination all sums due or to become due to us under this Franchise Agreement, the Secured Revolving Promissory Note, or any other agreement between you and us; and

vii. Deliver to us a Cancellation Agreement and/or general release in the form we provide, signed by or on behalf of you and each person holding an equity interest in you.

B. Upon termination of this Franchise Agreement under Article 25, in addition to the requirements of Section 27.1A, if we require, you shall: (i) vacate the Franchise Location on or before the effective date of the termination and (a) if the Franchise Location is leased, assign the Lease to us or our nominee or (b) if you own the Real Property, (1) if any petroleum company has a right to purchase or lease the Real Property, (aa) deliver to us a copy of any notice you are required to give to that petroleum company related to the right to purchase or lease the Real Property, (bb) notify us of the petroleum company's exercise of or failure to exercise its right to purchase or lease the Real Property (the "Action Notice"), and (cc) if the petroleum company does not exercise its right to purchase or lease the Real Property, give us 15 days after receipt of the Action Notice to exercise the right to purchase or lease the Real Property on the same terms granted to the petroleum company, or (2) at our option,(aa) sell the Real Property to us or our nominee for its fair market value as determined by an MAI appraisal by an appraiser selected and paid by us on the terms and conditions set forth in the then-current form of AIR Commercial Real Estate Association Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (Non-Residential) with a 45 day due diligence period with attendant cancellation right, a loan contingency for an 80% loan, and a closing 14 business days after the end of the due diligence period; or (bb) lease the Real Property to us or our nominee for a period equal to the remaining term of this Franchise Agreement at the fair rental value, but not more than 8% of your average Gross Revenue during the three years preceding the termination under Article 25, and on terms comparable to those generally offered for comparable commercial premises on the termination date but including the provisions described in Section 4.2; (ii) assign to us or our nominee all your interest in those of the signs, FFE, fixtures, or equipment located on or at the Franchise Location we select; and/or (iii) sell to us or our nominee those of the supplies, Beyond Inventory (including, without limitation, Flex Items), and Ingredients in the Franchise Location we select for the same price you paid for them. If we do not exercise any of the rights given us in clause (i) of this Paragraph, you shall do all things we require to de-identify the Franchise Location and remove or alter all elements and characteristics of its appearance that we consider part of our trade dress and remove the Beyond Marks from any of the Beyond Inventory before you sell it.

C. Notwithstanding any other provision of this Article, neither we nor our nominee shall be required to purchase any fixtures, equipment, goods, supplies, merchandise, products, or foodstuffs of a brand we have not then approved or not meeting any specifications we have established or that is older than any use by, best if used by, or expiration date on the goods, supplies, merchandise, product, or foodstuffs.

27.2 Failure to Perform. If you do not perform any act described in Section 27.1A within the time period provided, in addition to all other rights given to it by this Franchise Agreement or by law, we may:

a. Enter the Franchise Location without being deemed guilty of trespass or conversion or any other tort and without liability to you or your successors in interest and make the changes and removals described in Section 27.1A for and at your expense and you shall pay that expense on demand;

b. Execute for and in your name any instruments necessary to accomplish the things described in Section 27.1A, and you hereby irrevocably appoint, constitute, and designate us as your attorney-in-fact to do any acts and things necessary to accomplish the winding up of the Franchised Business in accordance with Section 27.1A; and

c. If we have a right to be permitted to occupy or acquire the Franchise Location, remove from the Franchise Location and store at your expense at a location we select any personal property in the Franchise Location that we choose to remove. All that property shall be forfeited to us for storage costs if it is not claimed and all storage costs are not paid within 90 days after the termination of this Franchise Agreement or the expiration of its term, as the case may be.

28.0 RIGHT TO SPECIFIC PERFORMANCE AND INJUNCTION. Because the Franchised Business is part of a system of commercial establishments that have a common appearance and present a uniform public identity and because the Beyond Name, Beyond Marks, and Beyond Business Method are unique, your failure to comply with the terms of this Franchise Agreement would cause irreparable damage to us, our Related Parties, other Beyond Food Mart® franchisees, and the Beyond Name, Beyond Marks, and Beyond Business Method. Accordingly, if you do not comply with any of your obligations as required by this Franchise Agreement, other than your obligations to pay money to us, we shall be entitled to a decree of specific performance enforcing those provisions and/or an injunction against continued conduct in violation of this Franchise Agreement against you, your officers, directors, shareholders, members, managers, partners, agents, servants, employees, and all others in active concert or participation with you, without notice and without bond or other security.

29.0 LATE CHARGE; APPLICATION OF PAYMENTS; OFFSET; NONPERFORMANCE FEE; SERVICE CHARGES.

29.1 Late Charge. If we do not receive payment of any sum payable to us under this Franchise Agreement on or before the due date, we shall incur expenses not contemplated by this Franchise Agreement, including (without limitation) processing, accounting, collection, and other administrative expenses, the exact amount of which it would be extremely difficult and impracticable to ascertain. Therefore, you agree that if we do not receive any payment due to us from you under this Franchise Agreement on or before the due date, you shall deliver to us with the past due payment a late charge equal to 10% of the past due payment but not less than $50. You agree that this late charge represents a fair and reasonable estimate of the expenses we will incur as a result of late payments. Acceptance of any late charge shall not constitute a waiver of your default with respect to the past due amount or prevent us from exercising any other rights given us by this Franchise Agreement or law.

29.2 Application of Payments; Offset. We may apply any payments received from you to any items then due or past due from you regardless of any designation you make. We may offset against any sums belonging to you or to which you are entitled any sums you owe us or will, with the passage of time, owe us. You may not offset against any amounts due or payable to us any sums you claim are due from us to you without our prior written consent.

29.3 Noncompliance Fee. You acknowledge that if you have not complied with one or more of your obligations in Articles 10, 11, or 14 through 16 and Section 8.2 (the "Standards Provisions") and you fail to cure that noncompliance in the time period provided in our notice, we and other franchisees will suffer damage to the goodwill and public image of the Beyond Store System, the exact amount of which is not readily ascertainable with certainty. Accordingly, you agree that as a reasonable estimate of the damage, if we give you notice of a violation of any of the Standards Provisions and you do not cure that violation in the time period provided in our notice, you shall pay us, in addition to all other sums due to us, a $150 noncompliance fee for each default. You shall deliver the noncompliance fee to us within five business days after you receive an invoice and we may collect it in any manner, including (without limitation) by electronic withdrawal as provided in Section 3.4.

29.4 <u>Service Charge</u>. You acknowledge that if we exercise any of the rights given us by Article 11 (maintenance; refurbishment; additional FFE), Article 12 (recordkeeping; reports; inspections and audits), Section 14.3 (advertising campaigns), Section 14.10 (signs), Article 17 (insurance), or Article 19 (taxes and assessments; permits and licenses) (collectively, the "Remediable Violations"), we will be performing for and on your behalf certain of your obligations and duties under this Franchise Agreement and, in so doing, we shall incur expenses not otherwise contemplated by this Franchise Agreement, the exact amount of which it would be extremely difficult and impracticable to ascertain. Those expenses include (without limitation) administrative costs related to the procurement and supervision of the remedial work, and processing, accounting, and collection costs. Therefore, if we take any remedial action permitted for any of the Remediable Violations, you shall pay us on demand, and we may withdraw electronically as provided in Section 3.4, in addition to all other sums due to us, a service charge equal to 5% of the charges we incurred in taking that remedial action, but not less than $50. You agree that this service charge represents a fair and reasonable estimate of the costs we will incur in taking that remedial action. Acceptance of any service charge shall not constitute a waiver of your default with regard to the obligation or duty we elected to fulfill, or prevent us from exercising any other rights given us by this Franchise Agreement or law.

30.0 ATTORNEYS' FEES AND COLLECTION COSTS.

30.1 <u>Litigation</u>. If any arbitration, action, or proceeding is brought to enforce rights under any portion of this Franchise Agreement, the prevailing party shall be entitled to recover all costs and reasonable attorneys' fees (including all fees incurred in connection with any appeal) as costs of suit (and not as damages). For purposes of this Section, prevailing party shall mean the party who is legally entitled to recover costs of suit. A party not entitled to recover costs of suit shall not recover attorneys' fees under this Section. Neither the amount of attorneys' fees awarded to a party nor the portion of an award to a party equal to the amount offered to that party in any statutory offer to compromise shall be included in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover costs or attorneys' fees.

30.2 <u>Collection and Termination Costs</u>. You shall pay us on demand, in addition to all other sums due us, all attorneys' fees and other expenses we incurred in connection with the collection of any sums past due from you under this Franchise Agreement and/or the termination of this Franchise Agreement, whether or not a legal proceeding is commenced or final judgment is obtained, unless you are awarded attorneys' fees under Section 30.1 in a lawsuit brought by us to collect those sums or terminate your interest.

31.0 NOTICES; PAYMENTS.

31.1 **Addresses**. All notices and demands required or permitted to be given under this Franchise Agreement shall be given in writing and personally delivered or sent by facsimile transmission, overnight courier service, or United States registered or certified mail, postage prepaid, addressed as follows:

If to us:

Beyond Franchising Inc.
4300 Edison Avenue
Chino, California 91719
Attention: Mark Sater, President

If to you:

____
____
____
____

The addresses in this Section may be changed by giving notice of that change in accordance with this Section.

31.2 **Constructive Receipt**. Notice shall be deemed to have been received upon delivery as to communications that are personally delivered or sent by overnight courier service, upon facsimile transmission if transmitted any business day before 5:00 p.m. local time at the place of receipt or on the next business day if transmitted after 5:00 p.m. local time, and upon the earlier of actual receipt or three postal delivery days after deposit in any United States mail post office box in the state to which the notice is addressed or four postal delivery days after deposit in any United States mail post office box other than in the state to which the notice is addressed, postage prepaid and addressed as set forth in this Article.

31.3 **Delivery of Payments and Reports**. All payments and reports to be made or delivered to us under this Franchise Agreement shall be made or delivered as required by this Franchise Agreement and to the address in Section 31.1. A copy of any report this Franchise Agreement requires you to make shall also be sent by United States Postal Service regardless of delivery by any other method required or permitted by this Franchise Agreement. All payments must be received by us no later than the due date.

31.4 **Electronic or Facsimile Counterparts.** All notices or documents required or permitted to be delivered to you by us may be delivered electronically and shall be deemed delivered on any business day on which they are sent before 5:00 PM local time at the place of receipt or the next business day if not delivered before 5:00 PM local time.

32.0 MISCELLANEOUS.

32.1 **Time of Essence**. Time is of the essence of each provision of this Franchise Agreement.

32.2 Successors and Assigns. Except as otherwise provided in Articles 20 and 21, and Section 22.1C the terms of this Franchise Agreement shall apply to, be binding upon, inure to the benefit of, and be enforceable by your and our respective personal representatives, successors in interest, heirs, and assigns.

32.3 Severability; Modification. If any term, covenant, or condition of this Franchise Agreement or the application of it to any person, entity, or circumstance is held invalid or unenforceable to any extent by a final decision of a court of competent jurisdiction, after all appeal rights have been exhausted or have expired, that term, covenant, or condition shall be deemed amended to the extent and for purposes of that application to render it enforceable to the fullest extent permitted by law. The remainder of this Franchise Agreement, or the application of that term, covenant, or condition to persons, entities, or circumstances other than those as to which it is held invalid or unenforceable shall not be affected and shall be valid and enforced to the fullest extent permitted by law. Except as otherwise provided in this Section, no amendment to or modification of this Franchise Agreement shall be effective unless contained in a writing signed by you and us.

32.4 Entire Agreement.

A. This Franchise Agreement is intended to be a final expression of the agreement between you and us regarding the Franchised Business; its terms may not be contradicted by evidence of any prior or contemporaneous agreements. We and you further intend this Franchise Agreement to be a complete and exclusive statement of the terms of our agreement regarding the Franchised Business; no extrinsic evidence other than the related agreements to which reference is made in this Franchise Agreement may be used to interpret, explain, or supplement this Franchise Agreement.

B. You represent and warrant to us that: (i) you have neither received nor reviewed and are not relying on any earnings claims other than those, if any, contained in any Franchise Disclosure Document delivered in connection with the offer and sale of the franchise; (ii) you have not received or relied upon any promises regarding any financial assistance to be obtained from or through us; (iii) you have not received or relied upon any claim, representation, statement, or projection regarding future growth, income, or viability of the Franchised Business or the Beyond Store System; and (iv) neither we nor any of our employees, agents, or representatives have made any representations or promises not expressly stated in this Franchise Agreement or any Franchise Disclosure Document delivered in connection with the offer and sale of the franchise.

C. Nothing in this Franchise Agreement or any related agreement we have made with you is intended to or shall disclaim any representation contained in any Franchise Disclosure Document we delivered to you or require you to waive reliance on any representation made in any Franchise Disclosure Document or any exhibit or amendment to it.

32.5 Headings. The headings in this Franchise Agreement are for convenience only and shall have no effect on its interpretation.

32.6 Waiver. No waiver by either party of any of its rights under this Franchise Agreement shall be effective unless contained in a writing delivered to the other party. No course of dealing, delay in exercising any right, power, or remedy, acceptance of payments, late charges, or performance from a party when that party is in default, or enforcement of any remedy shall operate as a waiver or otherwise prejudice of the other party's rights, powers, or remedies under this Franchise Agreement.

32.7 **Remedies Cumulative**. All rights and remedies of the parties under this Franchise Agreement shall be cumulative and none shall exclude any other right or remedy given it by this Franchise Agreement or by law. The exercise by a party of any right or remedy provided by this Franchise Agreement or by law shall not prejudice, exclude, or waive that party's right to avail itself of any other right or remedy provided by this Franchise Agreement or by law and shall not act as or be deemed an election of remedies.

32.8 **Survival of Covenants**. Wherever the context requires, your covenants and duties under this Franchise Agreement shall survive the cancellation or termination of this Franchise Agreement for any reason or its expiration.

32.9 **Governing Law**. The laws of the State where the Franchise Location is situated, without regard to its law on conflicts of law, shall govern the validity, construction, performance, and enforcement of this Franchise Agreement any dispute relating to it, the Franchised Business, the Franchise Location, or the relationship between us and you.

32.10 **Forum; Venue.** Any legal action, claim, or lawsuit directly or indirectly arising out of or related to this Franchise Agreement, the Franchised Business, the Franchise Location, or the relationship between us and you shall be instituted exclusively in the federal or state courts located in the County of Riverside, State of California, and nowhere else. Any such legal action, claim, or lawsuit as to which there is for any reason federal jurisdiction shall be instituted exclusively in a federal district court located in the United States District Court having jurisdiction over Riverside County, California.

32.11 **No Class Actions; NO JURY TRIAL.** No action or proceeding directly or indirectly arising out of this Franchise Agreement, the Franchised Business, the Franchise Location, or the relationship between us and you shall be brought as a class action. Any claim you bring or assert against us shall be brought or asserted only by and for you individually and not as a member of any class. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, WE AND YOU WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS FRANCHISE AGREEMENT, THE FRANCHISED BUSINESS, THE FRANCHISE LOCATION, OR THE RELATIONSHIP BETWEEN US AND YOU.**

32.12 **DAMAGE LIMITATION. TO THE MAXIMUM EXTENT PERMITTED BY LAW, YOU AND WE WAIVE ANY RIGHT OR CLAIM TO ANY PUNITIVE OR EXEMPLARY DAMAGES FROM OR AGAINST THE OTHER AND AGREE THAT THE AWARD IN ANY LITIGATION OR OTHER DISPUTE RESOLUTION MECHANISM BETWEEN US SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES.**

32.13 **Enforcement.** We may, in our sole discretion, choose to waive or refrain from enforcing temporarily or permanently any Franchise Agreement provision or requirement or any rule, regulation, policy, procedure, or requirement set forth in the Beyond BQA Manual, or any element of the Beyond Business Method against any one or more franchisees in the Beyond System (collectively, "System Standards"). You have no claim or cause of action against us for choosing not to enforce System Standards based upon our business judgment.

32.14 Relationship of Parties. The relationship between you and us is, and shall at all times be, only that of licensee and licensor. You are not and shall not hold yourself out as our agent, employee, legal representative, subsidiary, joint venturer, or partner and nothing contained in this Franchise Agreement or elsewhere shall be construed to create any relationship between you and us other than independent contractors. You shall not have any right or power to and shall not attempt to bind, make liable, or obligate us in any manner whatsoever.

32.15 Joint and Several Liability. The liability of each individual or entity executing this Franchise Agreement as franchisee shall be joint and several.

32.16 Recitals; Schedule and Exhibits. The recitals set forth in Paragraphs A through F at the beginning of this Franchise Agreement are the basic premises of this Franchise Agreement and are incorporated in it. The Exhibits and Schedule referred to in this Franchise Agreement are attached and incorporated in it by this reference.

32.17 Use of Pronoun. The word "you" shall be deemed and taken to mean each and every person or entity executing or authorizing execution of this Franchise Agreement as franchisee. The use of the neuter singular shall be deemed to include the plural, feminine, and masculine.

32.18 Covenants and Conditions. Each of your obligations and duties under this Franchise Agreement shall be deemed to be not only a covenant but also a condition to any of our obligations or duties.

32.19 Counterparts; Electronic Signatures. This Franchise Agreement may be executed in one or more counterparts, all of which taken together shall constitute one original agreement. Facsimile and electronic signatures shall be as effective as original signatures. Counterparts transmitted electronically or by facsimile transmission shall be as effective as an original.

32.20 Anti-Terrorism Law Compliance. You represent and warrant to us that: (a) neither you nor any of your shareholders, members, officers, directors, managers, employees, or anyone associated with the Franchised Business in any way (collectively, "Associates") is subject to sanctions of the United States government or is in violation of any laws relating to anti-corruption, anti-bribery, terrorism, money laundering or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Action of 2001, Public Law 107-56, as amended, and Executive Order No. 13224 (Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) (the "Executive Order") (collectively, the "Anti-Bribery, Anti-Money Laundering, and Anti-Terrorism Laws"); (b) neither you nor any of your Associates is acting, directly or indirectly, on behalf of terrorists, terrorist organizations, or narcotics traffickers, including those persons or entities that appear on the Annex to the Executive Order, or are included on any relevant lists maintained by the Office of Foreign Assets Control of the United States Department of Treasury, United States Department of State, or other United States governmental authority, all as may be amended from time to time; (c) neither you nor any of your Associates is a country, territory, individual, or entity named on any of (i) the two lists maintained by the United States

Department of Commerce (Denied Persons and Entities), (ii) the list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons), and (iii) the two lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties) (a "Government List"); (d) neither you nor any of your Associates is currently the subject of any United States sanctions program administered by the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC") and none of the funds to be used in connection with the Franchised Business constitute property of, or are held by any person currently subject to any United States sanctions program administered by OFAC, nor are those funds derived from or the result of any unlawful activity; (e) no property owned by or interests of you or any of the Associates is subject to being "blocked" under any of the Terrorism Laws; and (f) if any of the Associates becomes subject to or violates any Anti-Bribery, Anti-Money Laundering, and Anti-Terrorism Laws you shall immediately sever their relationship with you and the Franchised Business. Any violation of this Section is an incurable breach of this Franchise Agreement that gives us the right to terminate this Franchise Agreement without prior notice. Your representations and warranties set forth in this Section shall survive the expiration or earlier termination of this Franchise Agreement.

32.21 **Information; Investigation; Compliance with FTC Rule and State Law**. You acknowledge that you: (a) have had an opportunity to investigate and analyze the Franchised Business independently and discuss with your advisors as you thought appropriate the advisability, risks, and merits of purchasing and operating a Beyond Food Mart® franchise; (b) have had an opportunity to independently investigate, review, and analyze any Franchise Location presently identified in Exhibit A, understand that our indication that a location fits our basic site criteria does not constitute any warranty regarding its desirability, viability, or condition, and are not relying on any implicit or explicit representation from us regarding the Franchise Location; and (c) unless the offer and sale of a franchise to you is exempt under Applicable Laws, received a copy of the Beyond Food Mart® Franchise Disclosure Document at least 14 calendar days before the date you signed this Franchise Agreement and/or paid or gave us any consideration.

IN WITNESS WHEREOF, we have caused this Franchise Agreement to be executed by our duly authorized officer and you have executed this Franchise Agreement or caused it to be executed by your duly authorized officer or manager as of the date first above written.

US
BEYOND FRANCHISING INC.,
a California corporation

By______________________________
Mark Sater, President

Dated: ___________________________

YOU
____
____

By______________________________
____
(Print name and Title if Entity)
Dated: ___________________________

By______________________________
____
(Print name and Title if Entity)
Dated: ___________________________

EXHIBIT
DO NOT SIGN

BEYOND MARKS

SCHEDULE 1

BEYOND MARKS

Beyond Food Mart®

Fountain Falls®

Frosty Peak®

Glacial Aisle®

FRANCHISE LOCATION

EXHIBIT A
FRANCHISE LOCATION

Location for Beyond Food Mart® selected by Franchisee this ______ day of ____________________.

Location: ____.
Facility Number: _____________.

EXHIBIT
DO NOT SIGN

BEYOND FRANCHISING INC., a California corporation

By________________________________
Mark Sater, President

____
____

By__________________________________
____
(Print name and Title if Entity)

By__________________________________
____
(Print name and Title if Entity)

EXHIBIT DO NOT SIGN

MEMORANDUM OF TERM COMMENCEMENT DATE

EXHIBIT B
MEMORANDUM OF TERM COMMENCEMENT DATE

As provided by Section 2.1 of that certain Beyond Food Mart® Franchise Agreement dated as of __________________, 20____ made and entered into by and between Beyond Franchising Inc. ("Franchisor") and the undersigned franchisee ("Franchisee"), the undersigned hereby confirms and states that the term of the Franchise Agreement for Beyond Food Mart Facility Number _________ at ____ commenced on ____________________, 20___.

IN WITNESS WHEREOF, Franchisor and Franchisee have executed this Memorandum of Term Commencement Date.

FRANCHISOR

Beyond Franchising Inc., a California corporation

By:___________________________________
Mark Sater, President

FRANCHISEE
____
____
(Print Franchisee's Name)

By_____________________________________
____
(Print Name and Title if Entity)

EXHIBIT DO NOT SIGN

MEMORANDUM OF RIGHT OF FIRST REFUSAL

EXHIBIT C

.
RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:
Beyond Franchising Inc.
4300 Edison Avenue
Chino, CA 91710
Attention: Mark Sater, President

[Space above for recorder.]

MEMORANDUM OF RIGHT OF FIRST REFUSAL

THIS MEMORANDUM OF RIGHT OF FIRST REFUSAL is made as of _____________ ____, 20___ by and between Beyond Franchising Inc., a California corporation ("BFI") and _______________________________________, a(n) (individual/ _____________________ corporation/ _____________________ limited liability company/ _____________________ partnership) ("Owner"), who confirm that:

1. Right. Owner is the owner of real property in the City of _____________________, County of ___________________, State of California, described in Exhibit 1 attached to and incorporated in this Memorandum by this reference (the "Property"). The Property has been identified as the potential location of a Beyond Food Mart® pursuant to a Franchise Agreement made and entered into by and between BFI and ______________________________ dated as of ____________________________, 20____ (the "Franchise Agreement"). The Franchise Agreement provides for BFI to have a right of first refusal to purchase or lease the Property (the "RFR").

2. Term. The RFR commences on the date BFI approves the Property as a franchise location and continues for the 20 year duration of the Franchise Agreement.

3. No Modification. This Memorandum has been executed for purposes of recordation only and shall not modify the RFR in any way. If there is any inconsistency or conflict between the provisions of this Memorandum and the provisions of the Franchise Agreement pertaining to the RFR, the Franchise Agreement shall govern and prevail.

4. Counterparts; Electronic Signatures. This Memorandum may be executed in any number of counterparts, all of which together shall constitute one and the same instrument. Signatures reproduced electronically or on a counterpart transmitted electronically shall have the same force and effect as an original signature.

IN WITNESS WHEREOF, BFI and Owner have executed this Memorandum of Right of First Refusal as of the day and year first above written.

BFI	**OWNER**
BEYOND FRANCHISING INC., a California corporation	______________________________ ______________________________
By______________________________ Mark Sater, President	By______________________________ ______________________________ (Print name and title)
	By______________________________ ______________________________ (Print name and title)

> A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF ________________)

On _____________________, 20__, before me, ______________________________________, a Notary Public, personally appeared ____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____
Notary Public

EXHIBIT DO NOT SIGN

EXHIBIT 1

LEGAL DESCRIPTION

FRANCHISE LOCATION LEASE ADDENDUM

EXHIBIT D

ADDENDUM

TO LEASE DATED _______________ ("Lease")

BY AND BETWEEN

____ ("Landlord")

AND

____ ("Tenant")

FOR BENEFIT OF
BEYOND FRANCHISING INC. ("Franchisor")

FACTUAL BASES.

A. Franchisor is the franchisor and Tenant is the franchisee under that certain Beyond Food Mart® Franchise Agreement dated ______________, 20___ (the "Franchise Agreement"), pursuant to which Franchisor has granted Tenant a franchise to operate a Beyond Food Mart® (the "Franchised Business").

B. Tenant wishes to enter into a Lease with Landlord (the "Lease") for the premises owned by Landlord described in Schedule 1 (the "Premises").

C. Franchisor has approved Tenant's request to locate the Franchised Business at the Premises so long as the terms and conditions set forth in this Addendum are made a part of the Lease.

D. Recognizing the value of having the Franchised Business in the Premises and wishing to take the action necessary to permit Tenant to enter into the Lease, Landlord is willing to amend the Lease as set forth in this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree to modify, amend, and supplement the Lease as follows:

1. Use of Marks, Trade Dress, Signage, and Menu Boards. Landlord shall permit Tenant to install in the Premises the tenant improvements designated by Franchisor, decorate the Premises with the trade dress designated by Franchisor (including, without limitation, painting and other interior and exterior decorations), use and install signs and menu boards designated by Franchisor from time to time, and change and redecorate the Premises as required by Franchisor from time to time. Any interruption in Tenant's operations related to the exercise of these rights shall not constitute a violation of any continuous operation covenant in the Lease.

2. Restricted Use. The Premises shall be used solely for the operation of the Franchised Business and for no other purpose throughout the duration of the Lease and any extended occupancy by Tenant, except as Franchisor may otherwise agree in writing. Should Tenant lose the right to operate the Franchised Business, the Lease shall terminate unless Franchisor exercises its right to assume the Lease as provided in this Addendum.

3. Franchisor's Right to Assume Lease. Landlord grants Franchisor the right to assume the Lease if Tenant and Franchisor agree to terminate the Franchise Agreement for any reason or at any time when Tenant is in default under the Lease or the Franchise Agreement, without fulfilling any of the requirements or conditions of the Lease and notwithstanding any conditions to assumption set forth in the Lease. Upon receipt of Franchisor's written notice of the assumption of the Lease as provided in this Addendum, Landlord shall recognize Franchisor's assumption of the Lease and shall recognize Franchisor as the tenant under the Lease in place and stead of Tenant, and Franchisor will thereafter be bound by all the terms and conditions of the Lease. Any assumption of the Lease by Franchisor or subsequent assignment of the Lease by Franchisor as permitted by this Addendum will not release Tenant from its obligations under the Lease and any cure amount paid by Franchisor will be limited to an amount equal to two months of the base rent due under the Lease. Unless and until Franchisor exercises its right to assume and agrees in writing to assume the Lease, Franchisor will have no liability or obligation to Landlord under the Lease or otherwise and Franchisor shall not succeed to any liability for any default of Tenant that predates Franchisor's assumption of the Lease.

4. Notices to Franchisor; Franchisor's Cure Period. Landlord will deliver to Franchisor copies of each and every communication or notice in any medium whatsoever ("Notice") Landlord delivers to Tenant or to the Premises at the same time the Notice is delivered to Tenant or the Premises. If the Notice is a notice of default under the Lease and Tenant fails to timely cure the noticed default in the cure period allowed by the Lease or the Notice (whichever is longer), as a condition to any further action by Landlord to terminate the Lease or Tenant's tenancy, on the business day after the cure period expires Landlord shall deliver to Franchisor written notice of Tenant's failure to timely cure ("No Cure Notice"). Franchisor shall have the option but no obligation to cure any default by Tenant. Franchisor shall have five business days after receipt of the No Cure Notice to deliver to Landlord notice that Franchisor elects to undertake to cure the default and 10 days after its receipt of the No Cure Notice to cure any monetary default or commence cure of any nonmonetary default not capable of being cured in 10 days, so long as after the expiration of the 10 day period Franchisor diligently pursues cure of any nonmonetary default (respectively, "Franchisor's Cure Period"). If Franchisor delivers notice to Landlord that Franchisor will undertake cure of the default, Landlord shall not take any action to terminate the Lease until Franchisor's Cure Period has expired. Franchisor's election to cure shall not be deemed an election to assume the Lease unless and until Franchisor gives Landlord express written notice of assumption as provided in this Addendum. If Franchisor does not elect to cure any Tenant default or does not complete cure, Landlord may proceed directly against Tenant in the manner provided in the Lease but will have no rights or remedy against Franchisor.

5. Franchisor's Assignment of Lease. At any time after Franchisor delivers notice of its election to take an assignment of the Lease, Franchisor may assign the Lease or sublet the Premises to an affiliate of Franchisor or a franchisee approved by Franchisor by delivering written notice of the assignment and a copy of a written assignment and assumption signed by or on behalf of the affiliate or assignee, without charge or penalty. Upon any assignment, Franchisor shall be released from any further obligations under the Lease. Upon request by Franchisor, Landlord shall execute a written consent to assignment or subletting and a general release of Franchisor in a mutually acceptable form.

6. Additional Covenants. Landlord shall not accept Tenant's voluntary surrender of the Lease without Franchisor's prior written consent. Landlord shall obtain from any lender holding a lien on the real property of which the Premises are a part a nondisturbance agreement for the benefit of Tenant and Franchisor. Tenant and Landlord shall not renew or extend the term of the Lease without Franchisor's prior written consent. Tenant and Landlord shall not amend, modify, or alter any Lease term without Franchisor's prior written consent, in the absence of which no amendment, modification, or alteration of the Lease shall be enforceable against Franchisor or its assignees or subtenants. Tenant shall not assign its interest in the Lease or sublet all or any portion of the Premises without Franchisor's prior written consent, which may be withheld or conditioned on the same bases Franchisor may refuse to consent to or condition an assignment of the Franchise Agreement.

7. De-Identification. Franchisor shall deliver written notice to Landlord of any termination of the Franchise Agreement prior to its expiration. At any time not more than 30 days after any termination of the Franchise Agreement or 10 days after the expiration of the Franchise Agreement or the Lease, Franchisor may enter the Premises and remove all trade names, trade dress, and other trade indicia associated with Franchisor, including (without limitation) removing external and internal signage and menu boards and point of purchase materials and removing or modifying all architectural characteristics associated with Beyond Food Mart® as Franchisor deems necessary, all without being guilty of trespass or liable for any tort. Franchisor shall repair any damage to the Premises caused by Franchisor's removals as permitted by this Addendum.

8. Access. Franchisor may access the Premises during the Lease term to ensure compliance by Tenant with its obligations under the Franchise Agreement.

9. Third Party Beneficiary; Addendum Supersedes. Landlord and Tenant agree that Franchisor is an intended third party beneficiary of the Lease with an independent right to enforce its terms against Landlord and Tenant as provided in this Addendum.

10. Renewals and Extensions. If the Lease contains any right for renewal or extension that Tenant does not exercise, Landlord will give Franchisor written notice of Tenant's inaction (the "Renewal Notice"). For 30 days after receipt of the Renewal Notice, Franchisor shall have the option, but no obligation, to exercise Tenant's renewal or extension rights on the terms and conditions set forth in the Lease, except as to time for exercise, by delivering written notice to Landlord. Within 15 days after Landlord's receipt of Franchisor's notice of exercise as provided in this Addendum, Landlord and Franchisor shall execute a Lease assumption agreement in a mutually acceptable form, to be effective on commencement of the extension or renewal term.

11. Notices. Any notices given to Franchisor pursuant to this Addendum shall be in writing and delivered as provided in the Lease notice provisions. Franchisor's address for notice is:

Beyond Franchising Inc.
4300 Edison Avenue
Chino, California 91719
Attention: Mark Sater, President

12. Effect. This Addendum amends, supplements, and modifies the Lease and shall be and is made a part of the Lease. If there is any conflict between the terms of the Lease and the terms of this Addendum, the terms of this Addendum will govern.

13. Miscellaneous. This Addendum will be binding upon and inure to the benefit of Landlord, Tenant, Franchisor and their respective successors, assigns, heirs, personal representatives, and subtenants. This Addendum sets forth the entire agreement of Landlord and Tenant with respect to Franchisor's rights related to the Lease, superseding any and all prior agreements and understandings between or among the parties to it relating to the subject matter of this Addendum, except any Conditional Assignment and Consent and any Landlord's Consent and Waiver, all of which supplement and are supplemented by this Addendum. This Addendum may be amended only by a written agreement signed by Landlord and Tenant and approved by Franchisor.

FRANCHISOR
BEYOND FRANCHISING INC.,
a California corporation

By: ______________________________
Name: Mark Sater
Title: President
Date: ______________________________

TENANT
____
____

By______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

LANDLORD
____
____

By______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

EXHIBIT DO NOT SIGN

EXHIBIT D

SCHEDULE 1: PREMISES

____

____

Facility Number: ________________

EXHIBIT DO NOT SIGN

STATE ADDENDUM

ADDENDUM TO FRANCHISE AGREEMENT FOR FRANCHISEES COVERED BY CALIFORNIA LAW

Article 25 is amended for franchisees whose Franchise Location is situated in California by deleting Article 25 of the Franchise Agreement and substituting this Article 25.

25.0 OUR TERMINATION RIGHTS FOR CALIFORNIA FRANCHISEES.

25.1 Substantial Compliance. Because the Franchise Business and the Franchise Location are part of the System, which depends upon uniformity and consistency to protect its value for the benefit of all Beyond Food Mart® franchisees and because the Franchised Business sells perishable food products so that all aspects of the operation of the Franchised Business require scrupulous care and heightened attention in order to assure product and consumer safety and adequate protection from consumer claims, you acknowledge that your failure to comply with your obligations under this Franchise Agreement that affect the appearance of the Franchise Location, the safety, appearance, operation, and/or quality of the products and services provided by Franchised Business, and the safety and uniformity of the Franchise Location and the goods and services it provides will cause immediate harm to us and other Beyond Food Mart® franchisees. Accordingly, you acknowledge that for purposes of this Franchise Agreement "substantial compliance" means adherence to the requirements of this Franchise Agreement and the Beyond BQA Manual in all but the most insignificant details, being those that do not impact in any way the appearance of the Franchise Location, the appearance or quality of the products it sells and the uniformity and quality of the services the Franchised Business provides, or protection from risks related to the operation of the Franchised Business.

25.2 60 Day Notice Defaults. Except for those defaults subject to shorter notice as provided in Section 25.3, you shall be in default and we may terminate this Franchise Agreement if you fail to substantially comply with its requirements within 60 days after we deliver notice that you have:

a. Failed to adhere to the brand designations or approvals, product, supply, FFE, and other specifications, standards, rules, regulations, methods, techniques, and procedures in latest version of the Beyond BQA Manual we have delivered to you;

b. Failed to carry any menu item included in Your Menu or offer or sell at the Franchise Location any other menu item without our prior written consent;

c. Violated the requirements of Section 1.3 regarding use of the Beyond Name, Beyond Marks, or Beyond Business Method;

d. Violated the restrictions in Section 1.3 regarding use of the Beyond Name, Beyond Marks, or Beyond Business Method;

e. Failed to use and maintain all reporting and data systems and/or make any report or maintain and retain any records in accordance with Article 12;

f. Failed to (i) have your Manager be present at and work in the Franchise Location at least five days each week (except the weeks that include holidays described in Section 15.5B, in which case the number of days shall be proportionately reduced) eight hours each day, including (without limitation) at least one hour before opening and no less than one hour after closing, 48 weeks of the year and supervise, oversee, administer, and manage operation of it and (ii) have a manager trained by you or us or a shift manager present in and supervising, overseeing, and managing operation of the Franchise Location during all other times, unless prevented by a national emergency, act of terrorism, act of Nature, or disaster;

g. Failed to deliver to us on or before the date described in Section 17.4 evidence of the insurance coverage required by Article 17;

h. Had any insurance described in Article 17 cancelled by the carrier;

i. Purported to transfer all or any portion of your interest in this Franchise Agreement or the Franchised Business in violation of Article 20, 21, or 22;

j. Own any interest in, or any of Your Interested Parties or your Manager owns any interest in, any entity or business that defaults in the performance of any of its covenants, duties, or obligations as required by any other agreement between that party and us or any of our Related Parties, and/or with any third party relating to any business that is the subject of any franchise, license, or other agreement between that person or entity and us or any of our Related Parties;

k. Defaulted in performance of any of your covenants, duties, or obligations under this Franchise Agreement or failed to fulfill any condition of this Franchise Agreement not described in subparagraphs (a) through (j) or Section 25.3; or

l. Defaulted in the performance of any of your covenants, duties, or obligations as required by any other agreement between you and us, any or Our Affiliates, and/or any third party relating to the Franchised Business, the FFE, or the Franchise Location.

25.3 Incurable or Shorter Cure Period Defaults. Notwithstanding the provisions of Section 25.2, you shall be in default and we may terminate this Franchise Agreement if:

a. You or the Franchised Business (i) have any decree or order for relief issued with regard to you in an involuntary case under any applicable bankruptcy, insolvency, or other similar law in effect now or at a later date or appointing a receiver, liquidator, assignee, custodian, trustee, or similar official for you or any substantial part of the property of the Franchised Business, or ordering the winding up or liquidation of your affairs, (ii) had all or a substantial part of your or its assets assigned to or for the benefit of any creditor; or (iii) have admitted inability to pay your or its debts as they come due;

b. You fail to operate the Franchised Business for five consecutive days during which you are required to operate it, or any shorter period after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to continue to operate the Franchised Business, unless that failure to operate is due to fire at the Franchise Location, flood, earthquake, or another similar cause beyond your control;

c. You have made or make any material misrepresentations relating to the acquisition of the Franchised Business;

d. You commit any act or engage in conduct that reflects materially (which shall be defined in a manner comparable to the definition of "substantial compliance") and unfavorably on the operation and reputation of the Franchised Business or the System or endangers or damages any of the Beyond Name, Marks, goodwill, or reputation or the reputation or operation of the Franchised Business;

e. For 10 days receipt of notice of noncompliance, you fail to comply with any Applicable Law, including (without limitation) all health, safety, or building, laws or regulations applicable to the operation of the Franchised Business, fail to pay any taxes, or fail to obtain any license or permit described in Section 19.1;

f. After curing any prior default you fail to comply with this Franchise Agreement in the same manner, whether or not you correct the second noncompliance after we deliver notice;

g. Fail to comply with each and every term, covenant, and condition and to perform on time each of your duties and obligations as required by this Franchise Agreement, other than your obligation to pay us money, on three or more occasions in any calendar year or on more than 10 occasions throughout the term of this Franchise Agreement, whether or not the performance was ultimately rendered;

h. The Franchised Business and/or Franchise Location are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, and a final judgment against you remains unsatisfied for 30 days without your filing a *supersedeas* or other appeal bond;

i. A levy of execution has been made on the license granted by this Franchise Agreement or any of the assets used in the Franchised Business and it is not discharged within five days after levy;

j. You are convicted of a felony or any other criminal misconduct relevant to the operation of the Franchise Business;

k. You fail to pay any sum due and payable to us as and when required by this Franchise Agreement and do not make that payment, including all applicable late charges and interest, within five days after receipt of notice from us;

l. You cease to have the right to occupy the Franchise Location and do not have a right to relocate the Franchised Business as provided in Section 2.3.;

m. We make a reasonable determination that your continued operation of the Franchise Business will result in imminent danger to public health or safety;

n. You disclose, divulge, disseminate, display, duplicate, reveal, reproduce, publish, sell, show, or communicate the Beyond Business Method, any of the contents of the Beyond BQA Manual, or any of the Other Proprietary Information to any person or entity except as permitted by this Franchise Agreement; or

o. You fail on two or more occasions during any 12 month period to pay when due or have available when we make a direct electronic withdrawal or credit card charge any sum due and payable to us as required by this Franchise Agreement, whether or not the payment was ultimately made.

Section 27.2 is amended for franchisees whose Franchise Location is situated in California by adding to Section 27.2:

D. Upon a termination or nonrenewal of this Franchise Agreement, unless (i) you have failed to exercise your right to renew as provided in this Franchise Agreement, (ii) we do not prevent you from retaining control of the Franchise Location so long as you comply with the provisions of this Article relating to deidentification, (iii) we have publicly announced our intention to withdraw completely from offering and selling franchises in the relevant geographic market area (as defined in Applicable Law) in which the Franchise Location is situated, or (iv) we and you agree in writing to terminate or not renew the Franchise Agreement, we shall purchase from you at the price you paid, minus depreciation, all unsold inventory, unsold supplies, equipment, fixtures, and furnishings in your possession on the date notice of termination or nonrenewal is given or your right to renew expires, that you purchased or paid for as required by this Franchise Agreement or any agreement between you and us or our Suppliers. Notwithstanding the foregoing, we shall not purchase any personalized items or any inventory, supplies, equipment, fixtures, or furnishings not reasonably required to conduct the operation of the Franchised Business in accordance with this Franchise Agreement or any ancillary or collateral agreement to which at the cessation of operation of the Franchised Business you cannot lawfully, or do not, grant us upon our tender of payment, good title free and clear of any claim of any other person or entity. Notwithstanding the foregoing, we shall not be required to purchase any inventory, supplies, equipment, fixtures, or furnishings that you sell to any other person or entity between the date of the notice of termination or nonrenewal or the last day for you to exercise a right to renew and your cessation of operation of the Franchised Business. We may offset against any amounts payable pursuant to this Section any amount you owe us.

LOAN AND SECURITY AGREEMENT WITH EXHIBITS

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT is entered into as of the ____ day of ________________ 20___ by and between Beyond Franchising Inc., a California corporation ("Beyond") and ____ ("Borrower") with reference to the following facts:

A. Borrower is the franchisee and Beyond is the franchisor under the Beyond Food Mart® Franchise Agreement identified in Schedule 1 (the "Franchise Agreement").

B. Borrower wishes to have Beyond loan Borrower the funds to acquire and install certain furniture, furnishings, fixtures, and equipment at the Beyond Food Mart® franchise location identified in Schedule 1 (the "Franchise Location").

C. Beyond is willing to make a loan to Borrower on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, Beyond and Borrower hereby agree:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. As used in this Agreement, the following terms have the meaning set forth in this Article:

"Accounts": All presently existing and hereafter arising accounts, contract rights, payment intangibles, and all other forms of obligations owing to Borrower arising out of the sale or lease of goods (including the licensing of software and other technology) or the rendering of services by Borrower, whether or not earned by performance, and any and all credit insurance, guaranties, and other security for any of those, as well as all merchandise returned to or reclaimed by Borrower and Borrower's Books relating to any of the foregoing.

"Affiliate": Any Person that owns or controls directly or indirectly any other Person, any Person that controls or is controlled by or is under common control with another Person, and each officer, director, manager, or partner of a Person.

"Borrower's Books": All of Borrower's books and records in any form or medium, including (without limitation) ledgers and books and records concerning Borrower's assets or liabilities, income or expenses, the collateral described in Exhibit A (the "Collateral"), business operations or financial condition and all equipment containing any of that information.

"Business Day": Any day that is not a Saturday, Sunday, or other day on which banks in the State of California are permitted or required to close.

"Capital Expenditures": Any expenditures for any purchase or other acquisition of any asset that would be classified as a fixed or capital asset on Borrower's balance sheet prepared in accordance with GAAP.

"Copyrights": Any and all copyright rights, copyright applications, copyright registrations, and similar protections in each work of authorship and derivative work, whether published or unpublished and whether or not those also constitute a trade secret, now or hereafter existing, created, acquired or held.

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"Equity Interests": All shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust, or other equity ownership interests in a Person of any kind or nature, and any warrants, options, or other rights entitling the holder to purchase or acquire any of the foregoing.

"FFE": All present and future machinery, equipment, devices, tenant improvements, furniture, furnishings, cabinets, counters, fixtures, small wares, appliances, vehicles, tools, parts, and attachments in which Borrower has any interest.

"GAAP": Generally accepted accounting principles as from time to time set forth in the opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants and in statements by the Financial Accounting Standards Board or in opinions and statements of other entities approved by a significant segment of the accounting profession in the United States.

"Indebtedness": All (a) indebtedness for borrowed money or the deferred purchase price of property or services, including (without limitation) reimbursement and other obligations with respect to surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures, or similar instruments (whether or not contingent), (c) capital lease obligations, and (d) obligations that will arise upon the occurrence of some contingency.

"Insolvency Proceeding": Any proceeding commenced by or against any Person under any provision of the United States Bankruptcy Code, as amended from time to time, or under any other bankruptcy or insolvency law, including assignments for the benefit of creditors, formal or informal moratoria, compositions, extension generally with creditors, or proceedings seeking reorganization, arrangement, or other relief.

"Inventory": All present and future inventory in which Borrower has any interest, including (without limitation) merchandise, raw materials, parts, supplies, packing and shipping materials, and work in process or finished products intended for sale or lease or to be furnished under a contract of service, of every kind and description now or at any later time owned by or in Borrower's custody or possession, actual or constructive, including (without limitation) inventory temporarily out of Borrower's custody or possession or in transit, and any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title.

"Loan Documents": Collectively, this Agreement, the Secured Revolving Promissory Note; Deed of Trust With Assignment of Rents and Fixture Filing (the "DOT"); Conditional Assignment of Leasehold Interests and Landlord's Consent and Waiver between Borrower and Beyond and others (the "Assignment"); Lender's Consent, Fixture Waiver, and Nondisturbance Agreement (the "Lender's Agreement") from any lender with an interest in any real property that secures any of the Obligations (the "Secured Property"); all Unconditional Continuing Personal Guaranties given Beyond by Borrower's owners, the owners of the Secured Property, and any owners of any entity owner of the Secured Property; and any other agreement entered into in connection with this Agreement, all as amended or extended from time to time.

"Obligations": All debt, principal, interest, and other amounts owed to Beyond by Borrower pursuant to this Agreement, the Secured Revolving Promissory Note, or any other Loan Document, whether absolute or contingent, due or to become due, now existing or hereafter arising, including (without limitation) (i) any interest that accrues after the commencement of an Insolvency Proceeding and (ii) any debt, liability, or obligation owing from Borrower to others that Beyond may have obtained by assignment or otherwise.

“Patents”: All patents, patent applications, and similar protections including (without limitation) improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part.

“Permitted Indebtedness”:

a. Indebtedness of Borrower in favor of Beyond arising under this Agreement or any other Loan Document;

b. Indebtedness secured by a mortgage, lien, deed of trust, charge, pledge, security interest, or other encumbrance (“collectively, “Lien”) that arises under an equipment or other business personal property lease or installment sale contract to the extent the Lien secures purchase money or other acquisition Indebtedness;

c. Any debt that is subordinate or subordinated to the Obligations; and

d. Indebtedness incurred to refinance any Indebtedness permitted under this definition;

“Permitted Liens”:

a. Any Liens existing on the date of this Agreement and disclosed in Schedule 2, any Liens arising after the date of this Agreement with Beyond’s prior written approval, and any Liens arising under this Agreement or the other Loan Documents;

b. Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings, provided none of those have any priority over any of Beyond’s security interests;

c. Governmental restrictions on the use of property or conduct of business and Liens in favor of governmental authorities and public utilities that do not materially interfere with the ordinary course of Borrower’s business; and

d. Liens (i) on or in any FFE acquired or held by Borrower to secure the purchase price of that FFE or Indebtedness incurred solely for the purpose of financing the acquisition of that FFE or (ii) existing on the FFE at the time of its acquisition, provided that the Lien is confined solely to the property so acquired and improvements to it and the proceeds of the FFE and the Indebtedness secured by those Liens does not exceed $500,000.00 in the aggregate at any given time.

“Person”: Any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or governmental agency.

“Potential Default”: Any event that through the passage of time, service of notice, or both, would mature into an Event of Default.

"Trademarks": Any trademark or service mark rights, whether registered or not, applications to register, and registrations of any of them, and similar protections and the entire goodwill of the business of Borrower connected with and identified or symbolized by any trademark.

1.2 Accounting Terms. All accounting terms not specifically defined in this Agreement shall be construed in accordance with GAAP and all calculations made under this Agreement shall be made in accordance with GAAP. When used in this Agreement, the term "financial statements" shall include the notes and schedules to them.

2. LOAN AND PAYMENT. Subject to the terms and conditions of this Agreement, Beyond shall loan Borrower up to the total set forth in Schedule 1 (the "Revolving Loan"). The Revolving Loan will be evidenced by a promissory note substantially in the form of Exhibit B (the "Secured Revolving Promissory Note"). Each advance shall be delivered directly to the contractor or supplier providing the goods and/or services for which the advance is made within five business days after the advance is requested by the contractor or supplier. Each time an advance is to be made, as a condition to Beyond's obligation to make the advance, Borrower shall initial an amended form of Schedule 1 to the Secured Revolving Promissory Note setting forth the date and amount of the advance. The principal balance of the Secured Revolving Promissory Note outstanding from time to time shall earn interest from the date of each advance at the rate of 9% per annum. The outstanding principal balance of and all accrued interest on the Secured Revolving Promissory Note shall be due and payable on the date set forth in Schedule 1 (the "Due Date").

3. CONDITIONS TO LOANS. Beyond's obligation to advance any portion of the Revolving Loan is subject to the following conditions precedent being satisfied or waived by Beyond in its sole discretion:

A. Transaction Documents. Borrower shall have delivered to Beyond, in form and substance satisfactory to Beyond:

i. this Agreement duly executed on behalf of and delivered by Borrower;

ii. the Secured Revolving Promissory Note duly executed on behalf of and delivered by Borrower;

iii. a UCC Financing Statement covering the Collateral with Borrower as debtor;

iv. the DOT in form for recordation;

v. the Assignment, if applicable;

vi. the Lender's Agreement, if applicable; and

vii. an Unconditional Continuing Personal Guaranty of the Obligations in the form of Exhibit C (the "Guaranty"), duly executed and delivered by each person or entity that holds any ownership interest in Borrower or the Secured Property (each a "Guarantor");

B. Entity Documents. If Borrower or the owner of the Secured Property ("Property Owner") is an entity, Borrower shall have delivered to Beyond in form and substance satisfactory to Beyond:

i. A copy of the Articles of Organization or Articles of Incorporation of Borrower and/or Property Owner certified by the applicable governmental authority; and

ii. A good standing letter from the applicable governmental authority showing Borrower and/or Property Owner to be in good standing;

C. Insurance Certificates. Beyond shall have received, in form and substance satisfactory to it, the insurance certificates required by Section 6E;

D. Borrower Representations and Warranties. Borrower's representations and warranties in Article 5 shall be true and correct in all material respects on and as of the date of this Agreement as though made at and as of that date and no Potential Default or Event of Default shall have occurred and be continuing, or would exist after giving effect to the Loan;

E. Financial Condition. Beyond shall be fully satisfied with Borrower's Books and financial and business condition; and

F. No Material Adverse Change. There shall not have been any material adverse change in the business, operations, profits, or prospects of Borrower or in the condition of Borrower's assets since the date of this Agreement.

4. CREATION OF PERSONAL PROPERTY SECURITY INTEREST AND RELATED RIGHTS.

4.1 Grant of Personal Property Security Interest. Borrower grants and pledges to Beyond a continuing security interest in all presently existing and hereafter acquired or arising Collateral to secure prompt repayment of all Obligations and prompt performance by Borrower of each and all of its covenants and duties under the Loan Documents. That security interest shall at all times constitute a valid, first security interest in the presently existing Collateral and will constitute a valid, first priority security interest in Collateral acquired after the date of this Agreement except for Permitted Liens.

4.2 Delivery of Additional Documentation Required. Borrower shall from time to time execute and deliver to Beyond upon Beyond's request all financing statements and other documents Beyond reasonably requests, in form satisfactory to Beyond, to perfect and continue the perfection of Beyond's security interest in the Collateral and to fully consummate all the transactions contemplated under the Loan Documents.

4.3 Right to Inspect. Beyond may, upon reasonable prior notice, from time to time during Borrower's usual business hours inspect Borrower's Books and make copies of them. Beyond shall also have access to Borrower's management and accountants to review information relating to Borrower's creditworthiness.

5. REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Beyond:

A. Due Organization and Qualification. Borrower's status as an individual or entity is as set forth on Schedule 1. If Borrower is an entity, Borrower is duly organized and validly existing under the laws of the State of its formation indicated in Schedule 1 and qualified and licensed to do business in that state and in the state where the Collateral is located.

B. Due Authorization; No Conflict. The execution, delivery, and performance of the Loan Documents are within Borrower's powers, have been duly authorized, and are not in conflict with and do not constitute a breach of any provision contained in Borrower's charter documents, if any, and will not constitute an event of default under any material agreement to which Borrower is a party or by which Borrower is bound. Borrower is not in default under any material agreement to which it is a party or by which it is bound.

C. No Prior Encumbrances. Borrower has good and marketable title to its property, free and clear of Liens, except for Permitted Liens.

D. Merchantable Inventory. All Inventory is in all material respects of good and marketable quality, free from all material defects.

E. Name; Principal Business Location. Borrower has not done business under any name other than the one(s) specified in Schedule 1. Borrower's principal place of business is located at the address set forth in Schedule 1. All Borrower's Inventory and FFE is located only at the location(s) set forth in Schedule 1.

F. Litigation. There are no actions or proceedings pending by or against Borrower before any court or administrative agency.

G. Solvency; Payment of Debts. Borrower is solvent and able to pay its debts (including trade debts) as they mature.

H. Taxes. Borrower has filed or caused to be filed all tax returns required to be filed and has paid all taxes due.

I. Government Consents. Borrower has obtained all consents, approvals, or authorizations of, made all declarations or filings with, and given all notices to, all governmental authorities necessary for the continued operation of Borrower's business as currently or intended to be conducted.

J. Full Disclosure. No representation, warranty, or other statement made by Borrower in any document given Beyond or in any other Loan Document contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates, statements, or documents not misleading.

6. AFFIRMATIVE COVENANTS. Borrower covenants and agrees that, until payment in full of all outstanding Obligations, it shall:

A. Good Standing. If it is an entity, maintain its existence and good standing in the state of its formation, the state where the Collateral is located, and the state(s) where it does business.

B. Financial Statements, Reports, Certificates. Deliver to Beyond: (a) within 30 days after the end of each calendar quarter, a balance sheet, income, and cash flow statement covering Borrower's operations during the preceding calendar month, prepared in accordance with GAAP, consistently applied, in a form acceptable to Beyond and certified by Borrower's chief financial officer to be true and complete; (b) promptly upon receipt of notice, a report of any legal action pending or threatened against Borrower; and (c) budgets, sales projections, operating plans, or other financial information as Beyond may reasonably request from time to time.

C. Inventory; Returns. Keep all Inventory in good and marketable condition, free from all material defects.

D. Taxes. Make due and timely payment or deposit of all federal, state, and local taxes, assessments, or contributions required of it by law, and execute and deliver to Beyond on demand appropriate certificates attesting to the payment or deposit of taxes; and make timely payment or deposit of all tax payments and withholding taxes required of it by applicable laws, including (without limitation) laws concerning F.I.C.A., F.U.T.A., state disability, and local, state, and federal income taxes, and upon request, deliver to Beyond proof satisfactory to Beyond that Borrower has made those payments or deposits.

E. Insurance. At its expense, (i) keep the Collateral insured against loss or damage by fire, theft, explosion, sprinklers, and all other hazards and risks, and in amounts as ordinarily insured against by other owners in similar businesses conducted in the locations where Borrower's business is conducted; (ii) maintain insurance relating to Borrower's business, ownership, and use of the Collateral in amounts and of a type that are customary to businesses similar to Borrower's, all under policies of insurance in a form, with companies, and in amounts reasonably satisfactory to Beyond and all containing a lender's loss payable endorsement for any property in a form satisfactory to Beyond, showing Beyond as an additional loss payee and as an additional insured on all liability policies with all specifying that the insurer must give at least 30 days notice to Beyond before canceling its policy for any reason; and (iii) deliver to Beyond certified copies of the insurance policies and evidence of the payments of all premiums. All proceeds payable under any insurance policy shall, at Beyond's option, be payable to Beyond to be applied on account of the Obligations.

F. Further Assurances. At any time and from time to time, execute and deliver additional instruments and take further action as may reasonably be requested by Beyond to affect the purposes of this Agreement.

7. NEGATIVE COVENANTS. Borrower covenants and agrees that until the Obligations are paid in full, Borrower shall not:

A. Dispositions. Convey, sell, lease, transfer or otherwise dispose of (collectively, a "Transfer") all or any part of its business or property, other than: (i) a Transfer of Inventory in the ordinary course of business; or (ii) a Transfer of worn-out or obsolete FFE.

B. Change in Business; Change in Control or Executive Office. Engage in any business other than the business currently engaged in by Borrower without Beyond's prior written consent, cease to conduct business in the manner conducted by Borrower as of the date of this Agreement, or suffer or permit a change in ownership of any ownership interest in Borrower, or without 60 days prior written notice to Beyond relocate its principal executive office or state of incorporation or change its legal name.

C. Mergers or Acquisitions. Merge or consolidate with or into any other business organization, or acquire all or substantially all the capital stock or property of another Person.

D. Indebtedness. Create, incur, assume, or be or remain liable with respect to any Indebtedness other than Permitted Indebtedness.

E. Encumbrances. Create, incur, assume, or suffer to exist any Lien with respect to any of its property or assign or otherwise convey any right to receive income, including (without limitation) the sale of any Accounts, except for Permitted Liens, or agree with any Person other than Beyond not to grant a security interest in, or otherwise encumber, any of its property.

F. Investments. Directly or indirectly acquire or own, or make any investment in or to any Person.

G. Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower except for transactions in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person and that are disclosed in writing to Beyond.

H. Inventory and FFE. Store any of the Inventory or the FFE with a bailee, warehouseman, or other third party unless the third party has been notified of Beyond's security interest and Beyond (i) has received an acknowledgment from the third party that it is holding or will hold the Inventory or FFE for Beyond's benefit or (ii) is in possession of the warehouse receipt, where negotiable, covering that Inventory or FFE. Store or maintain any FFE or Inventory at a location other than Borrower's principal place of business.

I. Negative Pledge Agreements. Permit the inclusion in any contract to which it becomes a party of any provisions that could restrict or invalidate the creation or enforcement of Beyond's security interest.

8. EVENTS OF DEFAULT. Any one or more of the following events shall constitute an Event of Default under this Agreement:

A. Payment Default. Borrower fails to pay any of the Obligations within five days after written notice of the failure has been mailed to Borrower.

B. Covenant Default. Borrower fails to perform any obligation under this Agreement or violates any of the covenants contained in Article 6 or 7.

C. Performance Default. Borrower fails or neglects to perform or observe any other material term, provision, condition, or covenant contained in this Agreement, any of the other Loan Documents, or any other present or future agreement between Borrower and Beyond and has failed to cure any curable default within 10 days after its occurrence as to defaults under this Agreement or the time allowed for cure as to any of the Loan Documents or any other agreement; provided, however, that as to defaults under this Agreement, if the default cannot by its nature be cured within the 10 day period or cannot after diligent attempts by Borrower be cured within the 10 day period and the default is likely to be cured within a reasonable time, then Borrower shall have an additional reasonable period (which shall not in any case exceed 30 days) to attempt to cure that default.

D. Attachment. Any portion of Borrower's assets is attached, seized, subjected to a writ or distress warrant, or levied upon or comes into the possession of any trustee, receiver, or Person acting in a similar capacity and the attachment, seizure, writ or distress warrant, or levy has not been removed, discharged, or rescinded within 10 days; if Borrower is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs; if a judgment or other claim becomes a Lien upon any material portion of Borrower's assets; or if a notice of lien, levy, or assessment is filed of record with respect to any of Borrower's assets by the United States Government or any department, agency, or instrumentality of it or by any state, county, municipal, or other governmental agency and is not paid within 10 days after Borrower receives notice of it, provided that none of the foregoing shall constitute an Event of Default where the action or event is stayed or an adequate bond has been posted pending a good faith contest by Borrower.

E. Insolvency. Borrower becomes insolvent or an Insolvency Proceeding is commenced by or against Borrower and is not dismissed or stayed within 60 days.

F. Other Agreements. There is a default or other failure to perform under any agreement to which Borrower is a party or by which it is bound resulting in a right by a third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness.

G. Judgments. A judgment or judgments for the payment of money is rendered against Borrower and remains unsatisfied and unstayed for 20 days.

H. Misrepresentations. Any misrepresentation or misstatement exists now or hereafter in any warranty or representation set forth in this Agreement or any other Loan Documents or in any certificate delivered to Beyond pursuant to this Agreement or to induce Beyond to enter into this Agreement or any other Loan Document.

I. Change in Control. Any change in occurs with respect to any equity interest in Borrower.

J. Guaranty. Any Guaranty ceases for any reason to be in full force and effect, any Guarantor fails to perform any obligation under any Guaranty, any Guarantor revokes or purports to revoke a Guaranty, or any material misrepresentation or material misstatement exists now or hereafter in any warranty or representation set forth in any Guaranty, or any Guarantor dies or becomes subject to any criminal prosecution, or any circumstances arise causing Beyond, in good faith, to become insecure as to the satisfaction of any of any Guarantor's obligations under the Guaranty.

9. BEYOND'S RIGHTS AND REMEDIES; POWER OF ATTORNEY.

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Beyond may, at its election, without notice of its election and without demand, and Borrower authorizes Beyond to do any one or more of:

a. Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, immediately due and payable;

b. Settle or adjust disputes and claims directly with account debtors for amounts, upon terms and in whatever order Beyond reasonably considers advisable;

c. Make payments and do any other acts Beyond considers necessary or reasonable to protect its security interest in the Collateral. If Beyond requires, Borrower shall assemble the Collateral and make the Collateral available to Beyond as Beyond designates. Borrower authorizes Beyond to enter all premises where the Collateral is located, to take and maintain possession of the Collateral, or any part of it, and to pay, purchase, contest, or compromise any encumbrance, charge, or lien Beyond determines appears to be prior or superior to its security interest and to pay all expenses incurred in connection with any payment;

d. Ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell (in the manner provided for in this Agreement) all or any part of the Collateral. Beyond is hereby granted a license or other right, solely pursuant to the provisions of this Section, to use, without charge, Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Beyond's exercise of its rights under this Section, Borrower's rights under all licenses and all franchise agreements shall inure to Beyond's benefit; and

e. Dispose of all or any part of the Collateral by way of one or more contracts or transactions, for cash or on terms, in the manner and at the places (including Borrower's premises) as Beyond determines is commercially reasonable, and apply any proceeds to the Obligations in whatever manner or order Beyond deems appropriate. Beyond or any of its Affiliates may credit bid and purchase at any public or private sale. Any deficiency that exists after disposition of the Collateral as provided above will be paid immediately by Borrower.

9.2 Power of Attorney. Effective only upon the occurrence and during the continuance of an Event of Default, Borrower hereby irrevocably appoints Beyond as Borrower's true and lawful attorney to: (a) send requests for verification of Accounts or notify account debtors of Beyond's security interest in the Accounts; (b) endorse Borrower's name on any checks or other forms of payment or security that may come into Beyond's possession; (c) sign Borrower's name on any invoice or bill of lading relating to any Account, drafts against account debtors, schedules and assignments of Accounts, verifications of Accounts, and notices to account debtors; (d) dispose of any Collateral; (e) make, settle, and adjust all claims under and decisions with respect to Borrower's policies of insurance; (f) settle and adjust disputes and claims respecting the accounts directly with account debtors, for amounts and upon terms Beyond determines to be reasonable; and (g) file, in its sole discretion, one or more financing or continuation statements and amendments relative to any of the Collateral. The appointment of Beyond as Borrower's attorney in fact and each and every one of Beyond's rights and powers is coupled with an interest and therefore is irrevocable until all the Obligations have been fully repaid.

9.3 Accounts Collection. At any time during the term of this Agreement, Beyond may notify any Person owing funds to Borrower of Beyond's security interest in those funds and verify the amount of that Account. After an Event of Default Borrower shall collect all amounts owing to Borrower for Beyond, receive in trust all payments as Beyond's trustee, and immediately deliver all those payments to Beyond in their original form as received from the account debtor, with proper endorsements for deposit.

9.4 Beyond's Liability for Collateral. Beyond shall not in any way or manner be liable or responsible for: (a) safekeeping of the Collateral; (b) any loss or damage to all or any of the Collateral occurring or arising in any manner or fashion from any cause; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person whomsoever. All risk of loss, damage. or destruction of the Collateral shall be borne by Borrower.

9.5 Remedies Cumulative. Beyond's rights and remedies under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. Beyond shall have all other rights and remedies provided under the Code, by any other law, or in equity. No exercise by Beyond of one right or remedy shall be deemed an election and no waiver by Beyond of any Event of Default shall be deemed a continuing waiver. No delay by Beyond shall constitute a waiver, election, or acquiescence by it. No waiver by Beyond shall be effective unless made in a written document signed by Beyond and then shall be effective only in the specific instance and for the specific purpose for which it was given.

9.6 Waiver of Demand and Protest. Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees at any time held by Beyond on which Borrower may in any way be liable.

9.7 Indemnification. Borrower shall defend, indemnify, and hold harmless Beyond and Beyond's owner's employees, agents, and representatives (collectively, "Representatives") against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any third party in connection with the transactions contemplated by this Agreement and (b) all losses in any way suffered, incurred, or paid by Beyond or any of its Representative as a result of or in any way arising out of, following, or consequential to transactions between Beyond and Borrower whether under this Agreement or the other Loan Documents, or otherwise (including reasonable attorneys' fees, expert and consultants' fees, and expenses prior to and at trial and on appeal), except for losses caused by the gross negligence or willful misconduct of Beyond or the indemnified party or fees and costs incurred by Beyond for the initial preparation of this Agreement and the other Loan Documents.

10. NOTICES.

10.1 Addresses. All notices, requests, demands, and other communications required or permitted to be given pursuant to this Agreement shall be in writing and personally delivered or sent by electronic mail, facsimile transmission, United States registered or certified mail with postage prepaid, or a nationally recognized next day delivery service addressed as follows:

If to Beyond:
4300 Edison Avenue
Chino, California 91710
Attention: Mark Sater, President

If to Borrower: The address set forth in Schedule 1

The addresses provided above may be changed by written notice given in accordance with this Section.

10.2 Constructive Receipt. Notice shall be deemed to have been received upon delivery as to communications that are personally delivered or sent by next day delivery service, upon transmission as to communications sent by electronic mail or facsimile transmission mail before 5:00 p.m. in the state to which transmitted or the next business day if sent after 5:00 p.m. in that state, and the earlier of actual receipt or three mail delivery days after deposit in any United States mail post office box in the state to which the notice is addressed or five mail delivery days after deposit in any United States mail post office box other than in the state to which addressed, postage prepaid and addressed as set forth in Section 10.1.

11. CHOICE OF LAW AND VENUE. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of California, without regard to principles of conflicts of law. Each of Borrower and Beyond hereby submits to the exclusive jurisdiction of the state and Federal courts located in the County of Los Angeles, State of California.

12. GENERAL PROVISIONS.

12.1 Time of Essence. Time is of the essence of each provision of this Agreement.

12.2 Entity Authority. Each person executing this Agreement on behalf of an entity represents and warrants that his or her execution of it has been duly authorized by the appropriate governing body of that entity and that upon his or her execution of this Agreement it shall be a valid and binding obligation of that entity.

12.3 No Assignment by Borrower; Successors. Beyond makes this Agreement solely on the basis of the personal qualifications of Borrower and Guarantors, in the absence of which Beyond would not make the Loan. Borrower may not assign or alienate its interest in this Agreement in any manner. Except as provided in the preceding sentence, this Agreement shall apply to, be binding upon, and inure to the benefit of the respective successors and assigns of the parties to it.

12.4 Entire Agreement. This Agreement is intended to be a final expression of the agreement between Beyond and Borrower regarding its subject matter; its terms may not be contradicted by evidence of any prior or contemporaneous agreements. The parties further intend this Agreement to be a complete and exclusive statement of the terms of their agreement regarding its subject matter; no extrinsic evidence may be used to interpret, explain, or supplement this Agreement.

12.5 Covenants and Conditions. Each provision of this Agreement shall be both a covenant and a condition.

12.6 Severability; Modification. Should any term, covenant, or condition of this Agreement or the application of any term, covenant, or provisions to any person, entity, or circumstance to any extent be held invalid or unenforceable by a final decision of a court of competent jurisdiction, after all appeal rights have been exhausted or expired, that term, covenant, or condition shall be deemed amended to the extent and for purposes of that application so as to render it enforceable to the fullest extent permitted by law. The remainder of this Agreement or the application of that term, covenant, or condition to persons, entities, or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant, condition, and application shall be valid and enforced to the fullest extent permitted by law. Except as otherwise provided in this Section no modification or amendment of this Agreement shall be effective unless set forth in a writing signed by all parties to this Agreement.

12.7 Remedies Cumulative. All rights and remedies of the parties pursuant to this Agreement shall be cumulative and none shall exclude any other right or remedy given in this Agreement or by law. The exercise by a party of any right or remedy provided in this Agreement or by law shall not prejudice, exclude, or waive that party's right to avail itself of any other remedy available to it and shall not act as or be deemed an election of remedies.

12.8 Waiver. No waiver by a party of any of that party's rights pursuant to this Agreement shall be effective unless set forth in a writing delivered to the other party. No course of dealing, delay in exercising any right or remedy, acceptance of payments (partial, late, or full) or performance from a party while that party is in default, or enforcement of any remedy shall operate as a waiver of any default or otherwise prejudice, waive, or limit that party's rights, powers, or remedies under this Agreement or by law. A party's forbearance from enforcement of any remedy or remedies available to it shall not be deemed a waiver of any default or remedy.

12.9 Headings. The headings in this Agreement are for convenience only and shall have no effect on its interpretation.

12.10 Counterparts; Electronic Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one contract when each party has signed a counterpart. Any party may rely on a signed signature page of this Agreement or any exhibit to it transmitted by facsimile transmission or electronically as a PDF or in any other format and each party transmitting a signed signature page represents and warrants that it, he, or she has possession of the original signed document and will deliver it in accordance with the instructions of the recipient of the electronic transmission. Electronic signatures shall have the same effect as original signatures.

12.11 Recitals, Exhibits, and Schedule Incorporated. The recitals set forth in Paragraphs A through C are incorporated in and made a part of this Agreement. The Schedule and Exhibits referred to in this Agreement are attached to and incorporated in it by reference.

12.12 Representation by Counsel. Borrower acknowledges and agrees that it has been afforded and foregone or elected to be represented by counsel of its choice in the negotiation and preparation of this Agreement and each of the Loan Documents. Accordingly, Borrower agrees that neither this Agreement nor any of the other Loan Documents shall be construed more strictly against Beyond although it and the other Loan Documents were originally prepared by counsel for Beyond.

12.13 Legal Fees and Expenses. Should any action or proceeding be brought to interpret or enforce rights pursuant to any portion of this Agreement, the prevailing party shall be awarded reasonable attorneys' fees as costs of suit (and not as damages). For purposes of this Section, prevailing party shall mean the party who is legally entitled to recover costs of suit. A party not entitled to recover costs of suit shall not recover attorneys' fees pursuant to this

Section. Neither the amount of attorneys' fees awarded to a party nor the portion of an award to a party equal to the amount offered to that party in any statutory offer to compromise shall be included in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover costs or attorneys' fees.

12.14 Survival. All covenants, representations, and warranties made in this Agreement shall continue in full force and effect so long as any Obligations remain outstanding. Borrower's obligation to indemnify Beyond with respect to the expenses, damages, losses, costs and liabilities described in Section 9.7 shall survive until all applicable statute of limitations periods with respect to actions that may be brought against Beyond have run.

IN WITNESS WHEREOF, Beyond and Borrower has each caused this Agreement to be executed, all as of the date first above written.

BORROWER	**BEYOND** Beyond Franchising Inc., a California corporation
By____________________________ Signature Print Name: ______________________ Print Title: ______________________	By ____________________________ Mark Sater, President

EXHIBIT DO NOT SIGN

SCHEDULE 1

Franchise Agreement between Beyond and Franchisee dated: ________________________________

Franchise Location: ____
____
____

Facility Number: _______________

Liens existing on the date of this Agreement: ____
____
____

Revolving Loan amount: _________________________

Due Date: ________________________

Borrower's status:
- ☐ Individual
- ☐ Entity; State of formation ____________________________

Borrower's principal place of business: _____________________________________
____
____

EXHIBIT DO NOT FILL

EXHIBIT A

COLLATERAL DESCRIPTION

All real and personal property of Borrower whether presently existing or hereafter created or acquired, and wherever located, including, but not limited to:

1. All furnishings, furniture, fixtures, and equipment of any kind or nature whatsoever and all accessions and additions to any of them; appliances; small wares; devices; inventory (including all goods held for sale or lease or to be furnished under a contract of service and including returns and repossessions); goods of any other kind or nature whatsoever; accounts; chattel paper (including tangible and electronic chattel paper); deposit accounts; documents (including negotiable documents); general intangibles (including payment intangibles and software); instruments (including promissory notes); investment property (including securities and securities entitlements); letter of credit rights; money; and all of Borrower's books and records with respect to any of the foregoing and the computers and equipment containing those books and records; and

2. All cash proceeds and/or noncash proceeds of any of the foregoing, including insurance proceeds, and all supporting obligations and the security for them or for any right to payment. All terms above have the meanings given to them in the California Uniform Commercial Code, as amended or supplemented from time to time, including revised Division 9 of the Uniform Commercial Code-Secured Transactions, added by Stats. 1999, c.991 (S.B. 45), Section 35, operative July 1, 2001.

EXHIBIT B

$______________________.00 ______________________, 20__
Chino, California

SECURED REVOLVING PROMISSORY NOTE

FOR VALUE RECEIVED, _______________________ ("Borrower") hereby promises to pay to the order of Beyond Franchising Inc., a California corporation ("Beyond") or any subsequent holder or holders of this Note ("Payee"), without offset or demand, in lawful money of the United States of America, at 4300 Edison, Chino, California or any other location the holder of this Note may hereafter designate, so much of the principal sum of $________________ as is advanced from time-to-time and remains outstanding, all in accordance with the Loan and Security Agreement made and entered into by and between Borrower and Beyond dated as of the same date as this Note (the "Loan Agreement"). Each time an advance is made, Borrower shall cause Schedule 1, attached to and incorporated in this Note, to be amended to set forth the amount and date of the advance.

The unpaid principal balance from time to time outstanding under this Note shall bear interest from and after the date of this Note until maturity at the rate of 9% *per annum,* compounded annually. Interest on this Note shall be computed on the basis of a 365-day (or 366-day, as the case may be) year for the actual number of days elapsed. Principal and interest shall be payable in 20 equal annual installments of principal and accrued interest commencing on the 30th day after the date of the first advance entered in Schedule 1 and continuing until the original principal balance and all accrued interest are paid in full, but no later than the day before the 20th anniversary of the date of the first advance entered in Schedule 1. This Note may be prepaid in part or in full at any time without penalty. Any past due payment shall bear interest from the due date until the date of payment at the rate of 10% *per annum*.

Any permitted prepayment shall be credited first on interest then due and the remainder on principal and interest shall thereupon cease upon the principal so credited. Borrower acknowledges that its failure to pay any sum due under this Note when due will cause Payee to incur losses, costs, and expenses not contemplated by this Note, including (without limitation) servicing the indebtedness, handling delinquent payments, and meeting its other financial obligations, which have been incurred in the expectation this Note will be paid when due, and that the extent of the loss and additional expenses the holder of this Note would incur is extremely difficult and impractical to determine. Borrower therefore agrees that if any payment due on this Note is not received on the due date, Borrower shall pay Payee a late charge equal to 6% of the unpaid installment amount, which shall be payable with the delinquent payment. Borrower agrees that this late charge constitutes a reasonable estimate of the amount that would compensate the holder of this Note if any payment on this Note is not paid when due.

If Borrower is an entity, at the option of the holder of this Note, the entire outstanding principal balance of this Note and all accrued interest shall be due and payable upon any change in

Borrower's ownership to which Payee has not consented. Borrower shall not transfer or assign all or any part of its obligations or rights under this Note. Borrower shall be in default under this Note if: (1) Borrower fails to pay any sum due pursuant to this Note as and when due and that failure continues for five days after the holder of this Note deposits in the mail written notice of the failure; (2) Borrower defaults in performance under the Loan Agreement or any Franchise Agreement or other agreement between it and Beyond or any of Beyond's affiliates; (3) the value of the Real Property is at any time less than 80% of the total outstanding indebtedness it secures and Borrower does not remedy that fact within 10 days after receipt of notice; (4) if Borrower is an entity, Borrower is the subject of any voluntary or involuntary dissolution or becomes insolvent; or (5) Borrower initiates or has initiated against it any action or proceeding in bankruptcy court that is not dismissed within 60 days after it is initiated. If Borrower is in default, at the option of the holder of this Note, the entire outstanding principal balance of this Note and all accrued interest shall become immediately due and payable.

Borrower expressly and specifically waives grace, presentment of payment, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of protest, notice of nonpayment, and any and all other notices, the filing of suit, and diligence in collecting this Note. Neither the failure of the holder of this Note to exercise any rights given by this Note or to enforce promptly any provision of this Note, nor acceptance of any payment (partial, full, or late) or late charge shall constitute a waiver of the right to exercise or enforce any right given by this Note.

If this Note is placed in the hands of an attorney for collection or if it is collected through probate or bankruptcy court or by any other legal or judicial action or proceeding, all expenses incurred in connection with the collection of any sums due pursuant to this Note, including (without limitation) attorneys' fees, shall be added to the indebtedness payable pursuant to this Note.

This Note is secured by a Deed of Trust to the Real Property. If Borrower is divested of title or any interest in the Property in any manner or from any cause whatsoever, whether voluntarily or involuntarily or if Borrower sells, conveys, transfers, or alienates all or any part of the Real Property or any interest in it with Payee's prior written consent, or if any lien, claim, or encumbrance is subsequently placed against the Real Property voluntarily or involuntarily, the holder of this Note shall have the right, at its option, to declare the entire outstanding principal balance and all accrued interest immediately due and payable, irrespective of the maturity date specified in this Note.

This Note is secured by a security interest in Borrower's assets in accordance with the Loan Agreement. Borrower shall not transfer or assign all or any part of its obligations or rights under this Note.

Borrower and Payee intend to conform strictly to applicable usury laws. Accordingly, notwithstanding any contrary provision in this Note, the aggregate of all interest and any other charges or consideration constituting interest under applicable usury law that is taken, reserved, contracted for, charged, or received under this Note or otherwise in connection with this loan transaction shall under no circumstances exceed the maximum amount of interest allowed by the usury law applicable to this loan (the "Maximum Rate"). If any excess interest charge or similar form of consideration is taken, reserved, contracted for, charged, received, or provided for, or shall be adjudicated to be taken, reserved, contracted for, charged, received, or provided for in this Note, whether by the terms of this Note or because the maturity of indebtedness evidenced by this Note is accelerated for any reason or because of any required or permitted prepayment, (a) the provisions of this paragraph shall govern and control, (b) neither Borrower nor Borrower's successors or assigns or any other liable party shall be obligated to pay any amount of interest in excess of the Maximum Rate, (c) all excess interest shall be credited on this Note or, if this Note has been paid in full, refunded to Borrower, and (d) the effective rate of interest shall be automatically subject to reduction to the Maximum Rate allowed as the usury law may now or hereafter be construed by courts of appropriate jurisdiction.

This Note shall be governed by and construed in accordance with the laws of the State of California.

BORROWER

EXHIBIT

____

____

Print Borrower's Name

____

Signature by or on behalf of Borrower

DO NOT SIGN

____

Print Name and, if signing for an entity, title of signer

SCHEDULE 1

DATE OF ADVANCE	AMOUNT OF ADVANCE	INITIALS	
		BFI	Franchisee

EXHIBIT DO NOT FILL

EXHIBIT C

UNCONDITIONAL CONTINUING PERSONAL GUARANTY

THIS UNCONDITIONAL CONTINUING PERSONAL GUARANTY is given as of the ___ day of __________________ 20__ by ____, jointly and severally if more than one (individually and collectively, "Guarantor") to Beyond Franchising Inc. ("Beyond"), with reference to the following facts:

A. __________________________________ ("Borrower") wishes to obtain a loan from Beyond for purposes of developing a Beyond Food Mart® franchise location as required by that certain Franchise Agreement made and entered into between Borrower as franchisee and Beyond as franchisor.

B. Beyond requires as a condition to making the loan that payment and performance of Borrower's obligations under the Secured Revolving Promissory Note described in Schedule 1 to this Guaranty (the "Note") and performance of the obligations under the Deed of Trust, Assignment of Rents, and Fixture Filing described in Schedule 1(the "DOT") be guaranteed by each person who owns any interest in Borrower, owns any interest in the real property and improvements that are the subject of the DOT (the "Secured Property"), or owns any interest in any entity that owns any interest in the Secured Property.

C. Guarantor owns

i. __ Some or all of the equity interest in Borrower,
ii. __ An interest in the Secured Property, or
iii. __ An interest in the entity that owns an interest in the Secured Property

and wishes to induce Beyond to make the loan to Borrower.

NOW, THEREFORE, in consideration of Beyond loaning Borrower $_____________________ and for other good and valuable consideration, the receipt and adequacy of which Guarantor acknowledges, Guarantor, and each of them, hereby unconditionally and irrevocably guarantees: (a) full and timely payment of any and all sums due or to become due pursuant to and Borrower's performance of each and all of its covenants in the Note, which each Guarantor agrees to pay on demand in immediately available lawful money of the United States of America; (b) full and timely performance of the trustor's obligations under the DOT; (c) full and timely performance of all covenants and fulfillment of all conditions of that certain Loan and Security Agreement described in Schedule 1; (d) full and timely performance of all covenants and fulfillment of all conditions of that certain Conditional Assignment of Leasehold Interests and Landlord's Consent and Waiver described in Schedule 1; and (e) full and timely performance of all obligations of and fulfillment of all conditions to be fulfilled by Borrower or any party other than Beyond or any of its affiliates (the "Obligor") under any other documents given Beyond as security for payment of the Note (collectively, the "Loan Documents"). Guarantor hereby further agrees that:

1. This Guaranty shall continue in favor of Beyond notwithstanding any (a) extension, modification, or alteration of any or all of the Loan Documents made or entered into by or between Beyond and Borrower, any Obligor, or any of their respective successors or assigns; (b) assignment of any or all of the Loan Documents, with or without Beyond's consent; (c) compromise, extension, acceleration, or other change in the time for performance of any of Borrower's or an Obligor's obligations under any or all of the Loan Documents; (d) giving or application of any security for the performance of payment obligations under any or all of the Loan Documents; or (e) exchange, enforcement, waiver, or release of any obligations of Borrower or any Obligor under any or all of the Loan Documents.

2. No extension, modification, alteration, or assignment of any or all of the Loan Documents shall in any manner release, discharge, or exonerate Guarantor.

3. Guarantor consents to any extension, modification, alteration, or assignment of any or all of the Loan Documents.

4. This Guaranty shall continue in full force and effect and shall not be changed despite any dissolution, business failure, assignment for benefit of creditors, commencement or completion of any bankruptcy, reorganization, insolvency, moratorium, or other debtor relief proceedings by or against Borrower or any Obligor or any successor or assignee of Borrower or any Obligor, appointment of a receiver for Borrower or any Obligor, or any disaffirmance or abandonment by a trustee of Borrower or any Obligor.

5. Beyond may assign or transfer Beyond's interest in any or all of the Loan Documents and/or this Guaranty in whole or in part, with or without notice, and no assignment or transfer shall operate to extinguish or diminish the liability of any Guarantor.

6. The liability of each of Guarantor under this Guaranty shall be primary and Beyond may, at its option, proceed against any, all, or some Guarantor for any obligation of Borrower or any Obligor under any or all of the Loan Documents without first seeking payment or performance by or instituting any action against Borrower or that Obligor and without joinder of Borrower, any other Guarantor, or any Obligor in any action to enforce this Guaranty.

7. Each Guarantor shall pay all costs and expenses, including (without limitation) attorneys', consultants', and expert witnesses' fees (including those incurred before or after litigation or in connection with any appeal) incurred by Beyond in collecting or obtaining or attempting to collect or obtain any payment or performance due pursuant to any or all of the Loan Documents or enforcing this Guaranty.

8. Any indebtedness of Borrower or any Obligor held by Guarantor is subordinated to the obligations of Borrower or the Obligor under any or all of the Loan Documents and all indebtedness of Borrower or any Obligor to Guarantor shall be collected, enforced, and received by Guarantor as trustee for Beyond and paid over to Beyond on account of sums due to Beyond pursuant to any or all of the Loan Documents, without affecting or impairing in any manner the liability of any Guarantor under this Guaranty.

9. Each Guarantor waives notice of demand by Beyond as well as notice of default by Borrower or any Obligor under any or all of the Loan Documents. Guarantor waives presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor, notice of default, notice of acceptance of this Guaranty, and diligence, and all other notices or formalities to which either Guarantor might otherwise be entitled.

10. Each Guarantor's liability pursuant to this Guaranty is exclusive and independent of any security or other guarantee of payment or performance by Borrower or any Obligor, whether executed by all or any of Guarantor or any other person or entity, and the liability of each Guarantor under this Guaranty shall not be affected or impaired by any other continuing or other guaranty of any Guarantor or any other person or entity, any notice of termination of this Guaranty as to any future transaction, the death of any Guarantor, or any payment made to Beyond pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium, or any other debtor relief proceeding, and each Guarantor waives any right to deferral or modification of the Guarantor's obligations by reason of any of those proceedings.

11. A. Guarantor understands that Beyond's exercise of certain rights and remedies given Beyond in the Deed of Trust may impair or eliminate Guarantors' right of subrogation against Borrower under the Deed of Trust and that by giving this Guaranty Guarantor may incur a liability that is partially or totally nonreimbursable. Guarantor nevertheless authorizes Beyond to exercise, in its sole discretion, any right, remedy, or combination of any or all of them that may be available to Beyond at any time, because Guarantor intends Guarantor's obligations under this Guaranty to be absolute, independent, and unconditional obligations of Guarantor under all circumstances. Each of Guarantor waives all rights and defenses he or she may have because Borrower's debt is secured by real property. Beyond may collect from any or all of Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower. Guarantor, and each of them, is aware and accepts that if Beyond forecloses on any real property collateral pledged to secure the Note:

(i) The amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; and
(ii) Beyond may collect from any or all Guarantor even if by foreclosing on the real property collateral or electing a specific procedure for conducting that foreclosure, for example conducting a trustee's sale under the power of sale, Beyond has destroyed any right Guarantor may have to collect from Borrower.

B. Without limiting the generality of the foregoing or any other provision of this Guaranty, Guarantor, and each of them, expressly waives all benefits that might otherwise be available to Guarantor under California Civil Code Sections 2809, 2810, 2815, 2819, 2822, 2839, 2845, 2848, 2849, 2850, 2899 and 3433 and/or California Code of Civil Procedure Sections 580a, 580b, 580d and 726, as those statutory provisions are now or at any later time in effect and under any other similar statutes now and or later in effect deemed applicable to this Guaranty and its enforcement. Notwithstanding any foreclosure of the lien of any Deed of Trust, whether by the exercise of a power of sale, by judicial foreclosure, or by acceptance of a deed in lieu of foreclosure, each of Guarantor shall remain bound under this Guaranty.

C. This is an unconditional and irrevocable waiver of any rights and defenses any Guarantor may have because Borrower's debt is secured by real property. Each Guarantor also waives all rights and defenses arising from any election of remedies by Beyond, even though that election of remedies, such as a nonjudicial foreclosure with respect to real property security, has destroyed the rights of Guarantor to subrogation and reimbursement against Borrower by the operation of Code of Civil Procedure Section 580d, any similar statute, or otherwise

12. To the fullest extent permitted by applicable law, each Guarantor waives the benefit of any statute of limitations affecting Guarantor's liability under this Guaranty or the enforcement of this Guaranty.

13. This Guaranty shall survive expiration or termination of any or all of the Loan Documents and the Franchise Agreement between Beyond and Borrower.

14. Each Guarantor waives any rights or defenses any Guarantor may have by reason of an election or alleged election of remedies by Beyond and any defense based upon or arising out of any defense of Borrower, except payment in full of all sums owed Beyond pursuant to any or all of the Loan Documents and full performance of Borrower's obligations and duties pursuant to any or all of the Loan Documents.

15. Each Guarantor expressly agrees that recourse may be had against his or her separate property for all of Guarantor's obligations or liabilities under this Guaranty.

16. This Guaranty shall be binding upon and inure to the benefit of the respective successors in interest, personal representatives, heirs, and assigns of Beyond and each of Guarantor.

17. Guarantor consents to Beyond's conduct of a credit investigation and trace on Guarantor now and at any time in the future.

IN WITNESS WHEREOF, Guarantor has executed this Unconditional Continuing Personal Guaranty as of the date first above written.

EXHIBIT DO NOT FILL

______________________ SIGNATURE	______________________ SIGNATURE
______________________ PRINT NAME	______________________ PRINT NAME
______________________ ______________________ RESIDENCE ADDRESS	______________________ ______________________ RESIDENCE ADDRESS
______________________ ______________________ OFFICE ADDRESS	______________________ ______________________ OFFICE ADDRESS
______________________ BUSINESS TELEPHONE	______________________ BUSINESS TELEPHONE
______________________ HOME TELEPHONE	______________________ HOME TELEPHONE
______________________ CELLULAR TELEPHONE	______________________ CELLULAR TELEPHONE
______________________ SOCIAL SECURITY NUMBER	______________________ SOCIAL SECURITY NUMBER

SCHEDULE 1

Secured Revolving Promissory Note:

Borrower: ____
____
Date: ____
Original loan amount: $______________________________________

Deed of Trust, Assignment of Rents, and Fixture Filing:

Trustor: ____
Trustee: ____
Beneficiary: ____
Date: ____
Property address or description: ______________________________
____

Loan and Security Agreement:

Borrower: ____
____
Date: ____

Conditional Assignment of Leasehold Interests and Landlord's Consent and Waiver:

Franchisee: ____
Landlord: ____
Date: ____

EXHIBIT DO NOT FILL

NOTARY JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF ________________)

On _____________________, 20__, before me, _______________________________________, a Notary Public, personally appeared ____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____
Notary Public

SECURED REVOLVING PROMISSORY NOTE

$______________________.00 ____________________, 20___
Chino, California

SECURED REVOLVING PROMISSORY NOTE

FOR VALUE RECEIVED, _______________________ ("Borrower") hereby promises to pay to the order of Beyond Franchising Inc., a California corporation ("Beyond") or any subsequent holder or holders of this Note ("Payee"), without offset or demand, in lawful money of the United States of America, at 4300 Edison, Chino, California or any other location the holder of this Note may hereafter designate, so much of the principal sum of $________________ as is advanced from time-to-time and remains outstanding, all in accordance with the Loan and Security Agreement made and entered into by and between Borrower and Beyond dated as of the same date as this Note (the "Loan Agreement"). Each time an advance is made, Borrower shall cause Schedule 1, attached to and incorporated in this Note, to be amended to set forth the amount and date of the advance.

The unpaid principal balance from time to time outstanding under this Note shall bear interest from and after the date of this Note until maturity at the rate of 9% *per annum,* compounded annually. Interest on this Note shall be computed on the basis of a 365-day (or 366-day, as the case may be) year for the actual number of days elapsed. Principal and interest shall be payable in 20 equal annual installments of principal and accrued interest commencing on the 30th day after the date of the first advance entered in Schedule 1 and continuing until the original principal balance and all accrued interest are paid in full, but no later than the day before the 20th anniversary of the date of the first advance entered in Schedule 1. This Note may be prepaid in part or in full at any time without penalty. Any past due payment shall bear interest from the due date until the date of payment at the rate of 10% *per annum*.

Any permitted prepayment shall be credited first on interest then due and the remainder on principal and interest shall thereupon cease upon the principal so credited. Borrower acknowledges that its failure to pay any sum due under this Note when due will cause Payee to incur losses, costs, and expenses not contemplated by this Note, including (without limitation) servicing the indebtedness, handling delinquent payments, and meeting its other financial obligations, which have been incurred in the expectation this Note will be paid when due, and that the extent of the loss and additional expenses the holder of this Note would incur is extremely difficult and impractical to determine. Borrower therefore agrees that if any payment due on this Note is not received on the due date, Borrower shall pay Payee a late charge equal to 6% of the unpaid installment amount, which shall be payable with the delinquent payment. Borrower agrees that this late charge constitutes a reasonable estimate of the amount that would compensate the holder of this Note if any payment on this Note is not paid when due.

If Borrower is an entity, at the option of the holder of this Note, the entire outstanding principal balance of this Note and all accrued interest shall be due and payable upon any change in Borrower's ownership to which Payee has not consented. Borrower shall not transfer or assign all or any part of its obligations or rights under this Note. Borrower shall be in default under this Note if: (1) Borrower fails to pay any sum due pursuant to this Note as and when due and that failure continues for five days after the holder of this Note deposits in the mail written notice of the failure; (2) Borrower defaults in performance under the Loan Agreement or any

Franchise Agreement or other agreement between it and Beyond or any of Beyond's affiliates; (3) the value of the Real Property is at any time less than 80% of the total outstanding indebtedness it secures and Borrower does not remedy that fact within 10 days after receipt of notice; (4) if Borrower is an entity, Borrower is the subject of any voluntary or involuntary dissolution or becomes insolvent; or (5) Borrower initiates or has initiated against it any action or proceeding in bankruptcy court that is not dismissed within 60 days after it is initiated. If Borrower is in default, at the option of the holder of this Note, the entire outstanding principal balance of this Note and all accrued interest shall become immediately due and payable.

Borrower expressly and specifically waives grace, presentment of payment, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of protest, notice of nonpayment, and any and all other notices, the filing of suit, and diligence in collecting this Note. Neither the failure of the holder of this Note to exercise any rights given by this Note or to enforce promptly any provision of this Note, nor acceptance of any payment (partial, full, or late) or late charge shall constitute a waiver of the right to exercise or enforce any right given by this Note.

If this Note is placed in the hands of an attorney for collection or if it is collected through probate or bankruptcy court or by any other legal or judicial action or proceeding, all expenses incurred in connection with the collection of any sums due pursuant to this Note, including (without limitation) attorneys' fees, shall be added to the indebtedness payable pursuant to this Note.

This Note is secured by a Deed of Trust to the Real Property. If Borrower is divested of title or any interest in the Property in any manner or from any cause whatsoever, whether voluntarily or involuntarily or if Borrower sells, conveys, transfers, or alienates all or any part of the Real Property or any interest in it with Payee's prior written consent, or if any lien, claim, or encumbrance is subsequently placed against the Real Property voluntarily or involuntarily, the holder of this Note shall have the right, at its option, to declare the entire outstanding principal balance and all accrued interest immediately due and payable, irrespective of the maturity date specified in this Note.

This Note is secured by a security interest in Borrower's assets in accordance with the Loan Agreement. Borrower shall not transfer or assign all or any part of its obligations or rights under this Note.

Borrower and Payee intend to conform strictly to applicable usury laws. Accordingly, notwithstanding any contrary provision in this Note, the aggregate of all interest and any other charges or consideration constituting interest under applicable usury law that is taken, reserved, contracted for, charged, or received under this Note or otherwise in connection with this loan transaction shall under no circumstances exceed the maximum amount of interest allowed by the usury law applicable to this loan (the "Maximum Rate"). If any excess interest charge or similar form of consideration is taken, reserved, contracted for, charged, received, or provided for, or shall be adjudicated to be taken, reserved, contracted for, charged, received, or provided for in this Note, whether by the terms of this Note or because the maturity of indebtedness evidenced by this Note is accelerated for any reason or because of any required or permitted prepayment, (a) the provisions of this paragraph shall govern and control, (b) neither Borrower nor Borrower's successors or assigns or any other liable party shall be obligated to pay any amount of interest in excess of the Maximum Rate, (c) all excess interest shall be credited on this Note or, if this Note has been paid in full, refunded to Borrower, and (d) the effective rate of interest shall be automatically subject to reduction to the Maximum Rate allowed as the usury law may now or hereafter be construed by courts of appropriate jurisdiction.

This Note shall be governed by and construed in accordance with the laws of the State of California.

BORROWER

EXHIBIT

____

____

Print Borrower’s Name

____

Signature by or on behalf of Borrower

DO NOT SIGN

____

Print Name and, if signing for an entity, title of signer

SCHEDULE 1

EXHIBIT DO NOT FILL

DATE OF ADVANCE	AMOUNT OF ADVANCE	INITIALS	
		BFI	Franchisee

DEED OF TRUST WITH ASSIGNMENT OF RENTS AND FIXTURE FILING

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
Beyond Franchising Inc.
4300 Edison Avenue
Chino, California 91710

DEED OF TRUST
WITH ASSIGNMENT OF RENTS AND FIXTURE FILING

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS AND FIXTURE FILING ("Deed of Trust") is made as of the _______ day of _________________ 20___, between _______________________________, ("Trustor"), whose address is _____________________, Chicago Title Insurance Company ("Trustee"), whose address is 725 South Figueroa Street, Suite 200, Los Angeles, CA 90017, and Beyond Franchising Inc., a California corporation ("Beneficiary").

Trustor irrevocably grants, transfers, and assigns to Trustee in Trust, with Power of Sale and right of entry and possession:
(a) the real property and improvements described in Exhibit 1 attached to and made a part of this Deed of Trust, in the City of _______________________________________, County of _______________________________, State of ____, together with any present or future interest of Trustor in it or in any other land or property arising by or constructed on it, and all appurtenances, easements, water rights, rights of way, and other privileges or rights relating to it and any greater title to or rights in the real property or improvements subsequently acquired by Trustor (collectively, the "Property");
(b) any and all buildings or improvements now or hereafter located or constructed on the Property ("Improvements");
(c) all fixtures of any kind or nature now or hereafter attached to or located or installed in or on the Property, including (without limitation) all machinery, equipment, appliances, cabinets, counters, cases, refrigerators, coolers, and heating, ventilating, and air conditioning systems (collectively, "Fixtures");
(d) all leases, subleases, and subtenancies, occupancy agreements, and concessions affecting the Property, including (without limitation) all rents, royalties, income, and profits arising from the Property or from any lease, sublease, subtenancy, occupancy agreement, or concession, including (without limitation) any security deposits;
(e) all interest of Trustor in and to any condemnation awards, insurance proceeds, or any causes of action, damages, or recoveries relating to the Property or Trustor's fee estate;
(f) all minerals, oil, gas, and other hydrocarbon substances on the Property, as well as any development rights, air rights, solar rights, water, water rights, and water stock relating to the Property;
(g) all goods located on the Property that are owned by Trustor and used in the operation or occupancy of the Property or in any construction on the Property but which are not effectively made real property under clause (c) above, including (without limitation) all appliances, building service equipment, and building materials, supplies, and equipment but excluding all furniture and furnishings;
(h) all general intangibles owned by Trustor relating to the development or use of the Property, including (without limitation) all governmental permits relating to construction on

the Property, all names under or by which the Property or any of the Improvements may at any time be operated or known, and all rights to carry on business under any of those names or any variant of any of them, and all trademarks and good will in any way relating to the Property;

(i) all contracts related to the repair, maintenance, or operation of the Property, including (without limitation) all contracts related to property management, maintenance, utilities, or security; and

(j) all proceeds or products of or substitutions for any of the foregoing,

For the purpose of securing (1) payment of $____________ with interest according to the terms of a Secured Revolving Promissory Note of even date with this Deed of Trust made by Trustor payable to order of Beneficiary (the "Note"), and extensions or renewals of the Note; (2) performance of each agreement of Trustor incorporated by reference or contained in this Deed of Trust or reciting it is so secured; and (3) payment of additional sums and interest thereon that may hereafter be loaned to Trustor or Trustor's successors or assigns when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

This Deed of Trust constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the county in which the Property is located with respect to all Fixtures and any other personal property that may now be or later become fixtures.

If Trustor sells, conveys, or alienates all or any part of the Property or any interest in it, is divested of title or any interest in the Property in any manner or from any cause whatsoever, whether voluntarily or involuntarily, or if any lien, claim, or encumbrance is subsequently placed against the Property voluntarily or involuntarily, the holder of the Note shall have the right, at its option, to declare the entire outstanding principal balance and all accrued but unpaid interest to be immediately due and payable, irrespective of the maturity date specified in the Note.

To protect the security of this Deed of Trust, and with respect to the Property, Trustor expressly makes each and all of the agreements and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A of that certain Fictitious Deed of Trust referenced below, and it is mutually agreed that all of the provisions set forth in subdivision B of that certain Fictitious Deed of Trust recorded in the book and page of Official Records in the office of the county recorder of the county where the Property is located, noted below opposite the name of that county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	County	Book	Page	County	Book	Page
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumes	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	71-10-26	615	Sonoma	2067	427
Calveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
De[Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego Series 5	1964	149774			

shall inure to and bind the parties to this Deed of Trust with respect to the Property. Those agreements, terms, and provisions contained in subdivisions A and B of the referenced fictitious deeds of trust (identical in all counties) are printed on the pages of this Deed of Trust that follow this page and are by this reference incorporated in and made a part of this Deed of Trust for all purposes as fully as if set forth at length in this Deed of Trust. Beneficiary may charge for a statement regarding the obligation secured by this Deed of Trust provided the charge does not exceed the maximum allowed by law.

The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to Trustor at the address set forth above.

_____________ ____, 20____

____

____
Print Name of Entity (if any)

____
Print Name of Signer

____
Print Title of Signer

____
Signature

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF ________________)

On _____________________, 20__, before me, ______________________________________, a Notary Public, personally appeared ____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____
Notary Public

EXHIBIT 1

LEGAL DESCRIPTION

DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each County in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may, make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgement of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

(5) To pay immediately and without demand all sums so expanded by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby, any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:
(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him or her in the same manner and with the same effect as above provided for regarding disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his or her right either to require prompt
payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his or her own name

sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall Cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term Beneficiary shall mean the owner and holder, including pledges of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(9) The Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD REQUEST FOR FULL RECONVEYANCE

TO _______________ TITLE COMPANY

The undersigned is the legal owner and holder of the note or notes and of all other indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidence of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated: ______________________________________

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

CONDITIONAL ASSIGNMENT OF LEASEHOLD INTERESTS AND LANDLORD'S CONSENT AND WAIVER

CONDITIONAL ASSIGNMENT OF LEASEHOLD INTERESTS AND LANDLORD'S CONSENT AND WAIVER

THIS CONDITIONAL ASSIGNMENT OF LEASEHOLD INTERESTS AND LANDLORD'S CONSENT AND WAIVER ("Conditional Assignment and Consent") is made effective as of ________________________, by the various parties identified in Schedule 1 for the benefit of Beyond Franchising Inc., a California corporation ("BFI"), with reference to the following facts.

A. BFI is the franchisor and the person or entity identified in Schedule 1 as Franchisee is the franchisee under the Beyond Food Mart® Franchise Agreement identified in Schedule 1 (the "Franchise Agreement").

B. Pursuant to the Loan and Security Agreement identified in Schedule 1 (the "Loan Agreement") BFI will loan Franchisee funds to acquire and install certain furnishings, fixtures, and equipment described in Schedule 2 (the "FFE") at Franchisee's Beyond Food Mart® franchise location identified in Schedule 1 (the "Franchise Location") and Franchisee will give BFI the Secured Revolving Promissory Note identified in Schedule 1 (the "Secured Revolving Promissory Note").

C. Franchisee may own the Franchise Location real property and the improvements on or to be constructed on it, all of which are included in the term Franchise Location, or may lease the Franchise Location from a person or entity that is owned or controlled by some or all of Franchisee's owners (an "Affiliate") or from a third party. If the Franchise Location is owned by Franchisee or its Affiliate and there is sufficient equity in the Franchise Location, the Secured Revolving Promissory Note is secured by a Deed of Trust with Assignment of Rents and Fixture Filing (the "Deed of Trust") to the Franchise Location. If the Franchise Location is not owned by Franchisee or an Affiliate or there is not sufficient equity in it, the Secured Revolving Promissory Note is secured by a Deed of Trust to other property identified in Schedule 1 as the Property that is owned by the party identified in Schedule 1 as Owner. As Schedule 1 demonstrates, one person or entity may be some or all of Franchisee, Affiliate, Owner, and/or the landlord under the lease of the Franchise Location or one or more other leases of the Property.

D. The current leases of the Property (the "Other Leases") and any lease of the Franchise Location (the "Franchise Location Lease") are described in Schedule 1.

E. If Franchisee leases the Franchise Location, BFI requires as a condition of making the loan described in the Loan Agreement (the "Loan") that Franchisee assign to it all of Franchisee's interest as tenant under the Franchise Location Lease as additional security for the Loan and that the landlord under the Franchise Location Lease (the "Franchise Location Landlord") consent to that assignment, waive any interest in the FFE, and obtain for the benefit of Franchisee and BFI a nondisturbance agreement from any lender to Franchise Location Landlord that has a lien on the property of which the Franchise Location is a part (the "Franchise Location Property") and that BFI have the right to take over occupancy of the Franchise Location from Franchisee and/or repossess the FFE if Franchisee defaults under the Secured Revolving Promissory Note, the Loan Agreement, or any of the Loan Documents as defined in the Loan Agreement.

F. BFI also requires as a condition to making the Loan that Owner assign to BFI as additional security for the Secured Revolving Promissory Note its right, title, and interest as landlord under any Other Leases and obtain the consent of any prior lienholder to the further encumbrance of the Property and the assignment of the Other Leases to BFI.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisee, Franchise Location Landlord, and Owner hereby agree:

1. Conditional Assignment and Consent to Secure Secured Revolving Promissory Note.

1.1 Franchisee's Assignment of Tenant's Leasehold Interest. To secure the payment and performance of the: (i) liabilities, obligations and payments of any kind or nature whatsoever now or hereafter evidenced by the Secured Revolving Promissory Note and all extensions, modifications, and replacements of it; and (ii) liabilities, obligations, and indebtedness now or hereafter evidenced by the Loan Agreement and all amendments, modifications, and replacements to it, or under any of the Loan Documents, including (without limitation) compliance with all the stipulations, covenants, and agreements contained in this Conditional Assignment and Consent, the Secured Revolving Promissory Note, the Loan Agreement, or any other Loan Document, Franchisee hereby presently, irrevocably, absolutely, and unconditionally assigns, transfers, and sets over to BFI all Franchisee's right, title, and interest in and to the Franchise Location Lease (including, without limitation, any security deposit currently held by Landlord to Franchisee's credit) until the Secured Revolving Promissory Note has been fully paid and satisfied of record. Notwithstanding the assignment set forth in this Section, so long as Franchisee is not in default under the Secured Revolving Promissory Note, the Loan Agreement, or any of the other Loan Documents, Franchisee shall continue to exercise all of the rights, privileges, and benefits it has under or arising out of the Franchise Location Lease. This assignment is supplemented by and supplements that certain Addendum to Lease identified in Schedule 1.

1.2 Landlord's Consent, Waiver, and Covenants for Quiet Enjoyment and Nondisturbance Agreement. Franchise Location Landlord:
a. Consents to the assignment to BFI provided for in Section 1.1 and agrees to BFI's exercise of all the rights provided for in it, including (without limitation) the right to occupy and operate the Franchise Location;
b. Agrees that if BFI exercises it right to take possession of the Premises, it or its permitted successors shall have quiet enjoyment of the Premises throughout the term of the Franchise Location Lease (including any options to extend the Lease) so long as Franchisor or its permitted successor, as the case may be, is not in default under the Franchise Location Lease;
c. Agrees that the FFE will remain Franchisee's personal property whether or not affixed to or placed in the Franchise Location;
d. Waives and disclaims any right, title, claim, or interest in the FFE that might otherwise arise from their being attached to or resting on or in the Franchise Location and grants Franchisee and BFI, or either of them, permission to remove any or all of the FFE from the Franchise Location at any time, so long as reasonable care is used in removing them; and
e. Shall deliver to BFI within 15 days after the date Franchise Location Landlord signs this Conditional Assignment and Consent a nondisturbance agreement in form reasonably satisfactory to BFI from each person or entity that holds a lien on the Franchise Location Property.

This Section is supplemented by and supplements that certain Addendum to Lease identified in Schedule 1.

1.3 Owner's Assignment.

A. To secure the payment and performance of the: (i) liabilities, obligations and payments of any kind or nature whatsoever now or hereafter evidenced by the Secured Revolving Promissory Note and all extensions, modifications, and replacements of it; and (ii) liabilities, obligations, and indebtedness now or hereafter evidenced by the Loan Agreement and all amendments, modifications, and replacements to it, or under any of the Loan Documents, including (without limitation) compliance with all the stipulations, covenants, and agreements contained in this Conditional Assignment and Consent, the Secured Revolving Promissory Note, the Loan Agreement, or any other Loan Document, Owner hereby presently, irrevocably, absolutely, and unconditionally assigns, transfers, and sets over to BFI all Owner's right, title, and interest in and to all leases, whether oral or written, now on the Property or any portion of it or that may hereafter be placed on the Property or any portion of it, together with all letters of credit, guaranties, and other security now or hereafter relating to any of them (all other leases, letters of credit, guaranties, and other security being included in the term "Other Leases"), and all the rents, issues, and profits ("Rents") now due or that hereafter become due to Owner derived from the Property, until the Secured Revolving Promissory Note has been fully paid and satisfied of record. Notwithstanding the assignment set forth in this Section, so long as Franchisee is not in default under the Secured Revolving Promissory Note or the Loan Agreement, Owner shall continue to exercise all the rights, privileges, and benefits it has under or arising out of any and all of the Other Leases.

B. Within 15 days after the date Owner signs this Conditional Assignment and Consent it will deliver to BFI the written consent of each prior lienholder to the execution and delivery of the Deed of Trust and this Conditional Assignment and Consent in form reasonably satisfactory to BFI.

1.4 Exercise.

A. Franchisee authorizes BFI, upon and in the event of default in any of the payments due under, or performance of any of the terms, covenants, or conditions of this Conditional Assignment and Consent, the Secured Revolving Promissory Note, the Loan Agreement, or any of the other Loan Documents that is not cured within the time allowed for cure (any of the foregoing an "Event of Default"), at its option to enter upon the Franchise Location and/or give notice to Landlord of the assignment of the tenant's interest in the Franchise Location Lease to BFI. The authority granted to BFI by Franchisee includes the right, at BFI's option, to take over and assume the operation and maintenance of any or all portions of the Franchise Location.

B. Owner authorizes BFI, upon an Event of Default, at its option to enter upon the Property and/or give notice to any and all tenants under any or all of the Leases or the assignment to BFI and to collect, by its officers, agents, or employees, in the name of Assignor or in its own name as assignee, the Rents accrued but unpaid and in arrears at the date of the Event of Default, as well as the Rents thereafter accruing and becoming payable during the period that or any other Event of Default continues. The authority granted to BFI by Owner includes the right, at its option, to take over and assume the management, operation, and maintenance of any or all portions of the Property that are subject to any of the Other Leases and in general to perform all actions necessary in connection with that management in the same manner and to the same extent as Owner might reasonably do. Upon electing to exercise the right to collect Rents, BFI shall at its own discretion determine the method of collection and the extent to which enforcement of collection of delinquent Rents shall be prosecuted but it shall not be accountable for more money than it actually receives from the Property and shall not be liable for failure to collect Rents. BFI shall, after payment of all proper charges and expenses, including (without limitation) administrative expenses in the amount commonly charged by those who collect rent or act as property manager, attorneys' fees, and court costs), credit the net amount received from the Property by virtue of this Conditional Assignment and Consent, or by virtue of the exercise of any power granted in it, to the Secured Revolving Promissory Note or costs chargeable under the Secured Revolving Promissory Note, the Loan Agreement, or any of the other Loan Documents, but the manner of the application of the net income and the items credited shall be within BFI's sole discretion.

1.5 No Liability.

A. Unless and until BFI elects to enter the Franchise Location and take over and assume the position of Franchisee under the Franchise Location Lease, BFI shall not have any obligation to perform any of Franchisee's obligations under the Franchise Location Lease. BFI shall not be obligated to perform or discharge any obligation or duty of Franchisee under the Franchise Location Lease as a result of this Assignment or otherwise and nothing in this Conditional Assignment and Consent shall be construed as an assumption by BFI of any obligation or duty of Franchisee under the Franchise Location Lease or operate to make BFI responsible for the possession, operation, or maintenance of the Franchise Location.

B. Unless and until BFI elects to enter the Property and collect the Rents in place and stead of Owner, BFI shall not have any legal obligation to collect the Rents and at no time shall BFI be in any manner liable or responsible for the failure of any tenant under any or all the Other Leases to pay Rents, but when and if collected the Rents shall be applied to payment of the Secured Revolving Promissory Note or other sums due under any of the Loan Documents. BFI shall not be obligated to perform or discharge any obligation or duty of Owner under any Other Lease or otherwise relating to the Property as a result of this Conditional Assignment and Consent or otherwise and nothing in this Conditional Assignment and Consent shall be construed as an assumption by BFI of any obligation or duty or operate to make BFI responsible for the management, operation, or maintenance of the Property. Owner shall indemnify, defend, and hold BFI harmless from and against any and all liability, loss, damage, cost, and expense, including (without limitation) attorneys' fees and expenses, BFI may at any time incur or suffer under any of the Other Leases or by reason of this Conditional Assignment and Consent or in any other manner relating to the Property except those arising out of or related to its own grossly negligent or deliberately wrongful act. This indemnification and all other indemnification obligations provided in this Conditional Assignment and Consent shall survive payment of the Secured Revolving Promissory Note, exercise of any right or remedy under this Conditional Assignment and Consent or any other Loan Document, any subsequent sale or transfer of the Property, the release of this Conditional Assignment and Consent by BFI, and all similar or related events or occurrences.

1.6 Directive to Tenants. Owner authorizes and directs any tenant or tenants under any of the Other Leases, whether of all or any portion or portions of the Property, upon receipt of notice in writing from BFI to pay to BFI all Rent then due or thereafter to become due under any Lease. Owner designates BFI and its officers and agents as Owner's attorney-in-fact with full power to collect all Rents, to receive, open, and dispose of all mail addressed to Owner, to endorse all checks, drafts, money orders, or other evidence of payment with respect to the Property (including Rents) and to take any additional action reasonably required in connection with the exercise of BFI's rights under this Conditional Assignment and Consent. This power of attorney is coupled with an interest and therefore irrevocable. Owner shall immediately reimburse BFI for all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by BFI in managing the Property, collecting the Rents, or collecting the Secured Revolving Promissory Note after an Event of Default.

1.7 Representations and Warranties. Owner represents and warrants to BFI that (a) neither it nor any of its predecessors in interest has executed any prior assignment or pledge of the Rents or of its interest in and to any Franchise Location Lease or Other Lease, as the case may be, except to a prior lienholder under a lien that is recorded in the public record; (b) it has not performed any acts or executed any agreement that might prevent BFI from or limit it in exercising its rights under this Conditional Assignment and Consent; and (c) it will not execute any other assignment or pledge of the Rents or of its interest in the Franchise Location Lease or any Other Lease and will not execute any agreement that might prevent BFI from or limit BFI in exercising its rights under this Conditional Assignment and Consent.

2. GENERAL PROVISIONS.

2.1 Duration. This Conditional Assignment and Consent shall remain in full force and effect until released in writing by BFI.

2.2 Successors and Assigns. The terms of this Conditional Assignment and Consent shall apply to, be binding upon, inure to the benefit of, and be enforceable by the respective successors in interest, assigns, heirs, and personal representatives of the parties to it.

2.3 Severability; Modification. If any term, covenant, or condition of this Conditional Assignment and Consent or the application of it to any person, entity, or circumstance is held invalid or unenforceable to any extent by a final decision of a court of competent jurisdiction, after all appeal rights have been exhausted or have expired, that term, covenant, or condition shall be deemed amended to the extent and for purposes of that application to render it enforceable to the fullest extent permitted by law. The remainder of this Conditional Assignment and Consent or the application of that term, covenant, or condition to persons, entities, or circumstances other than those as to which it is held invalid or unenforceable shall not be affected and shall be valid and enforced to the fullest extent permitted by law. Except as otherwise provided in this Section, no amendment to or modification of this Conditional Assignment and Consent shall be effective unless contained in a writing signed by all of the parties to it and by BFI, which is an express third party beneficiary of it.

2.4 Headings. The headings in this Conditional Assignment and Consent are for convenience only and shall have no effect on its interpretation.

2.5 Waiver. No waiver by either party of any of its rights under this Conditional Assignment and Consent shall be effective unless contained in a writing delivered to the other party. No course of dealing, delay in exercising any right, power, or remedy, acceptance of payments, late charges, or performance from a party when that party is in default, or enforcement of any remedy shall operate as a waiver or otherwise prejudice of the other party's rights, powers, or remedies under this Assignment.

2.6 Survival of Covenants. Wherever the context requires, the rights granted to BFI and the covenants and obligations of the parties under this Conditional Assignment and Consent shall survive the cancellation or termination of this Conditional Assignment and Consent or the Franchise Agreement for any reason or the expiration of the Franchise Agreement.

2.7 Governing Law. The laws of the State where the Franchise Location is situated, without regard to its law on conflicts of law, shall govern the validity, construction, performance, and enforcement of this Conditional Assignment and Consent and any dispute relating to it.

2.8 Forum; Venue. Any legal action, claim, or lawsuit directly or indirectly arising out of or related to this Conditional Assignment and Consent shall be instituted exclusively in the federal or state courts located in the County of Riverside, State of California, and nowhere else. Any legal action, claim, or lawsuit as to which there is for any reason federal jurisdiction shall be instituted exclusively in a federal district court located in the United States District Court having jurisdiction over Riverside County, California.

2.9 No Class Actions; NO JURY TRIAL. No action or proceeding directly or indirectly arising out of this Conditional Assignment and Consent shall be brought as a class action. Any claim you bring or assert against us under this Conditional Assignment and Consent shall be brought or asserted only by and for you individually and not as a member of any class. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, FRANCHISEE WAIVES ANY RIGHT TO A JURY TRIAL IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS ASSIGNMENT.

2.10 Recitals; Schedules. The recitals set forth in Paragraphs A through F at the beginning of this Conditional Assignment and Consent are the basic premises of this Conditional Assignment and Consent and are incorporated in it. The Schedules referred to in this Conditional Assignment and Consent are attached and incorporated in it by this reference.

2.11 Counterparts; Electronic Signatures. This Conditional Assignment and Consent may be executed in one or more counterparts, all of which taken together shall constitute one original agreement. Facsimile and electronic signatures shall be as effective as original signatures. Counterparts transmitted electronically or by facsimile transmission shall be as effective as an original.

2.12 Anti-Terrorism Law Compliance. Each party executing this Assignment represents and warrants to BFI that: (a) neither it nor any of its shareholders, members, officers, directors, managers, employees, or anyone associated with the Franchise Location or the Property in any way (collectively, "Associates") is subject to sanctions of the United States government or in violation of any federal, state, municipal, or local laws, statutes, codes, ordinances, orders, decrees, rules, or regulations relating to terrorism or money laundering, including (without limitation) Executive Order No. 13224, 66 Fed. Reg. 49079 (published September 25, 2001) or is similarly designated under any related enabling legislation or any other similar Executive Order, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, any sanctions and/or regulations promulgated under authority granted by the Trading with the Enemy Act, 50 U.S.C. App. 1 44, as amended from time to time, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 06, as amended from time to time, the Iraqi Sanctions Act, Publ. L. No. 101 513; United Nations Participation Act, 22 U.S.C. § 287c, as amended from time to time, the International Security and Development Cooperation Act, 22 U.S.C. § 2349 aa 9, as amended from time to time, The Cuban Democracy Act, 22 U.S.C. §§ 6001 10, as amended from time to time, The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 2339b, as amended from time to time, and/or The Foreign Narcotics Kingpin Designation Act, Publ. L. No. 106 120, as amended from time to time (all the above referred to collectively as the "Terrorism Laws"); (b) no property owned by or interests of that party or any of its Associates is subject to being "blocked" under any of the Terrorism Laws, (c) it shall not at any time hire, engage, or have dealings with anyone who is subject to sanctions under or in violation of any of the Terrorism Laws; (d) it shall at all times comply with and assist us to comply to the fullest extent possible with the Terrorism Laws, and (e) if any of the Associates becomes subject to or violates any of the Terrorism Laws it shall immediately sever its relationship with that Associate. The representations and warranties set forth in this Section shall survive the expiration or earlier termination of this Assignment.

2.13 Rights Cumulative. The grant to BFI of the rights and remedies provided in this Conditional Assignment and Consent are cumulative with all other rights and remedies given BFI by law or the other Loan Documents, the Franchise Agreement, the Lease Addendum provided pursuant to the Franchise Agreement, and all other agreements between BFI and Franchisee, Owner, and/or Franchise Location Landlord (the "Other Agreements"). BFI's exercise of any right granted it in this Assignment shall not act as an election of remedies and shall not waive its right to exercise any right or remedy given it by any of the Other Agreements or by law.

FRANCHISEE	**LANDLORD**
By __________________________	By __________________________
Name: _______________________	Name: _______________________
Title: ________________________	Title: ________________________

EXHIBIT DO NOT SIGN

SCHEDULE 1

Franchisee: ____

Franchise Agreement between BFI and Franchisee dated: ______________________________

Loan and Security Agreement between BFI and Franchisee dated: ______________________

Franchise Location: ____________________________________
____
____

Facility Number: ___________

Secured Revolving Promissory Note from Franchisee to BFI
Dated: _____________________________
Principal amount: ____________________

Property: ______________________________________
____
____

Owner:
- ☐ Franchisee
- ☐ Affiliate: ____
- ☐ Third Party: ____

Other Property Leases:

Tenant	Date
_________________________	_________________________
_________________________	_________________________
_________________________	_________________________
_________________________	_________________________

Franchise Location Lease Landlord: ____________________; Date: ____________________

Addendum to Lease between Franchisee and Landlord Dated: __________________________

EXHIBIT DO NOT FILL

SCHEDULE 2

FURNISHINGS, FIXTURES, AND EQUIPMENT

LENDER'S CONSENT, FIXTURE WAIVER, AND NONDISTURBANCE AGREEMENT

LENDER'S CONSENT TO FURTHER ENCUMBRANCE AND LEASEHOLD ASSIGNMENT(S), FIXTURE WAIVER, AND NONDISTURBANCE AGREEMENT

EXHIBIT DO NOT FILL

LENDER: ____________________
PROPERTY ADDRESS: ____________________
LEGAL DESCRIPTION: Attached as Exhibit 1
PROPERTY OWNER: ____________________
BORROWER/FRANCHISEE: ____________________
LENDER'S DEED OF TRUST: ____________________
DATE: ____________________
PARTIES:
TRUSTOR: ____________________
TRUSTEE: ____________________
BENEFICIARY: ____________________
ORIGINAL PRINCIPAL AMOUNT: ____________________
RECORDING INFORMATION: ____________________
BFI'S DEED OF TRUST, ASSIGNMENT OF RENTS, AND FIXTURE FILING
DATE: ____________________
TRUSTOR: ____________________
TRUSTEE: ____________________
BENEFICIARY: Beyond Franchising Inc.
REVOLVING PROMISSORY NOTE
DATE: ____________________
ORIGINAL PRINCIPAL AMOUNT: ____________________
FRANCHISEE'S LEASE
LANDLORD: ____________________
DATE: ____________________
OTHER LEASES: See Schedule 1

CHECK ALL APPLICABLE PROVISIONS:

__**1. Consent to Further Encumbrance.** The Lender identified above ("Lender") hereby consents to the Owner identified above ("Owner") granting a junior security interest in the real property identified above (the "Property") by giving the Deed of Trust with Assignment of Rents and Fixture Filing ("Deed of Trust") described above to Beyond Franchising Inc. ("BFI") to secure the Secured Revolving Promissory Note described above and consents to the transfer of the Property to BFI, subject to Lender's senior Deed of Trust identified above, if BFI forecloses on its junior Deed of Trust identified above.

__**2. Consent to Conditional Assignment of Leasehold Interest(s).** Lender consents to the (a) Conditional Assignment of Leasehold Interest(s) and Landlord's Consent and Waiver ("Conditional Assignment and Consent") attached to this Lender's Consent, Fixture Waiver, and Nondisturbance Agreement as Exhibit 2 and incorporated in it by reference and (b) assignment of Franchisee's Lease and any Other Leases to BFI as provided for in the Conditional Assignment and Consent.

__**3. Recognition.**

__**A.** Lender agrees to recognize BFI as the successor tenant under Franchisee's Lease if BFI exercises the rights given it in the Franchise Agreement between it and Borrower/Franchisee and/or the Conditional Assignment and Consent.

__**B.** Lender agrees to recognize BFI as the successor landlord under any Other Lease if BFI exercises the rights given it in the Conditional Assignment and Consent and/or BFI's Deed of Trust.

__**4. Fixture Waiver.** Lender waives and disclaims any right, title, claim, or interest in any furnishings, fixtures, or equipment in or on the Property (the "FFE") that might otherwise arise from their being attached to or resting on or in the Property or any of the improvements on it and grants Franchisee and BFI, or either of them, permission to remove any or all the FFE from the Property at any time.

__**5. Nondisturbance.** Lender agrees that neither any lease of any portion of the Property in which the Borrower/Franchisee named above is presently the tenant (the "Franchise Lease") (including any options to extend the Franchise Lease) nor the tenant's possession of the leased property (the "Premises") shall be disturbed so long as the tenant under the Franchise Lease is not in default under the Franchise Lease and attorns to the record owner of the Premises, notwithstanding any assignment of the Franchise Lease to BFI or BFI's further assignment of the Franchise Lease to its affiliate or another of its franchisees.

6. Legal Expenses. Should any action or proceeding be brought to interpret, enforce, or declare rights pursuant to any portion of this Lender's Consent, Fixture Waiver, and Nondisturbance Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees as costs of suit.

7. Electronic Signatures. Electronic signatures and signatures in PDF or other electronic files shall have the same force and effect as original signatures.

LENDER

____

____

By ______________________________________

Name: ________________________________

Title: _________________________________

SCHEDULE 1

OTHER LEASES

EXHIBIT 1

LEGAL DESCRIPTION

EXHIBIT 2

CONDITIONAL ASSIGNMENT OF LEASEHOLD INTERESTS AND LANDLORD'S CONSENT AND WAIVER

THIS CONDITIONAL ASSIGNMENT OF LEASEHOLD INTERESTS AND LANDLORD'S CONSENT AND WAIVER ("Conditional Assignment and Consent") is made effective as of ________________________, by the various parties identified in Schedule 1 for the benefit of Beyond Franchising Inc., a California corporation ("BFI"), with reference to the following facts.

A. BFI is the franchisor and the person or entity identified in Schedule 1 as Franchisee is the franchisee under the Beyond Food Mart® Franchise Agreement identified in Schedule 1 (the "Franchise Agreement").

B. Pursuant to the Loan and Security Agreement identified in Schedule 1 (the "Loan Agreement") BFI will loan Franchisee funds to acquire and install certain furnishings, fixtures, and equipment described in Schedule 2 (the "FFE") at Franchisee's Beyond Food Mart® franchise location identified in Schedule 1 (the "Franchise Location") and Franchisee will give BFI the Secured Revolving Promissory Note identified in Schedule 1 (the "Secured Revolving Promissory Note").

C. Franchisee may own the Franchise Location real property and the improvements on or to be constructed on it, all of which are included in the term Franchise Location, or may lease the Franchise Location from a person or entity that is owned or controlled by some or all of Franchisee's owners (an "Affiliate") or from a third party. If the Franchise Location is owned by Franchisee or its Affiliate and there is sufficient equity in the Franchise Location, the Secured Revolving Promissory Note is secured by a Deed of Trust with Assignment of Rents and Fixture Filing (the "Deed of Trust") to the Franchise Location. If the Franchise Location is not owned by Franchisee or an Affiliate or there is not sufficient equity in it, the Secured Revolving Promissory Note is secured by a Deed of Trust to other property identified in Schedule 1 as the Property that is owned by the party identified in Schedule 1 as Owner. As Schedule 1 demonstrates, one person or entity may be some or all of Franchisee, Affiliate, Owner, and/or the landlord under the lease of the Franchise Location or one or more other leases of the Property.

D. The current leases of the Property (the "Other Leases") and any lease of the Franchise Location (the "Franchise Location Lease") are described in Schedule 1.

E. If Franchisee leases the Franchise Location, BFI requires as a condition of making the loan described in the Loan Agreement (the "Loan") that Franchisee assign to it all of Franchisee's interest as tenant under the Franchise Location Lease as additional security for the Loan and that the landlord under the Franchise Location Lease (the "Franchise Location Landlord") consent to that assignment, waive any interest in the FFE, and obtain for the benefit of Franchisee and BFI a nondisturbance agreement from any lender to Franchise Location Landlord that has a lien on the property of which the Franchise Location is a part (the "Franchise Location Property") and that BFI have the right to take over occupancy of the Franchise Location from

Franchisee and/or repossess the FFE if Franchisee defaults under the Secured Revolving Promissory Note, the Loan Agreement, or any of the Loan Documents as defined in the Loan Agreement.

F. BFI also requires as a condition to making the Loan that Owner assign to BFI as additional security for the Secured Revolving Promissory Note its right, title, and interest as landlord under any Other Leases and obtain the consent of any prior lienholder to the further encumbrance of the Property and the assignment of the Other Leases to BFI.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Franchisee, Franchise Location Landlord, and Owner hereby agree:

1. Conditional Assignment and Consent to Secure Secured Revolving Promissory Note.

1.1 Franchisee's Assignment of Tenant's Leasehold Interest. To secure the payment and performance of the: (i) liabilities, obligations and payments of any kind or nature whatsoever now or hereafter evidenced by the Secured Revolving Promissory Note and all extensions, modifications, and replacements of it; and (ii) liabilities, obligations, and indebtedness now or hereafter evidenced by the Loan Agreement and all amendments, modifications, and replacements to it, or under any of the Loan Documents, including (without limitation) compliance with all the stipulations, covenants, and agreements contained in this Conditional Assignment and Consent, the Secured Revolving Promissory Note, the Loan Agreement, or any other Loan Document, Franchisee hereby presently, irrevocably, absolutely, and unconditionally assigns, transfers, and sets over to BFI all Franchisee's right, title, and interest in and to the Franchise Location Lease (including, without limitation, any security deposit currently held by Landlord to Franchisee's credit) until the Secured Revolving Promissory Note has been fully paid and satisfied of record. Notwithstanding the assignment set forth in this Section, so long as Franchisee is not in default under the Secured Revolving Promissory Note, the Loan Agreement, or any of the other Loan Documents, Franchisee shall continue to exercise all of the rights, privileges, and benefits it has under or arising out of the Franchise Location Lease. This assignment is supplemented by and supplements that certain Addendum to Lease identified in Schedule 1.

1.2 Landlord's Consent, Waiver, and Covenants for Quiet Enjoyment and Nondisturbance Agreement. Franchise Location Landlord:

a. Consents to the assignment to BFI provided for in Section 1.1 and agrees to BFI's exercise of all the rights provided for in it, including (without limitation) the right to occupy and operate the Franchise Location;

b. Agrees that if BFI exercises it right to take possession of the Premises, it or its permitted successors shall have quiet enjoyment of the Premises throughout the term of the Franchise Location Lease (including any options to extend the Lease) so long as Franchisor or its permitted successor, as the case may be, is not in default under the Franchise Location Lease;

c. Agrees that the FFE will remain Franchisee's personal property whether or not affixed to or placed in the Franchise Location;

d. Waives and disclaims any right, title, claim, or interest in the FFE that might otherwise arise from their being attached to or resting on or in the Franchise Location and grants Franchisee and BFI, or either of them, permission to remove any or all of the FFE from the Franchise Location at any time, so long as reasonable care is used in removing them; and

e. Shall deliver to BFI within 15 days after the date Franchise Location Landlord signs this Conditional Assignment and Consent a nondisturbance agreement in form reasonably satisfactory to BFI from each person or entity that holds a lien on the Franchise Location Property.

This Section is supplemented by and supplements that certain Addendum to Lease identified in Schedule 1.

1.3 Owner's Assignment.

A. To secure the payment and performance of the: (iii) liabilities, obligations and payments of any kind or nature whatsoever now or hereafter evidenced by the Secured Revolving Promissory Note and all extensions, modifications, and replacements of it; and (iv) liabilities, obligations, and indebtedness now or hereafter evidenced by the Loan Agreement and all amendments, modifications, and replacements to it, or under any of the Loan Documents, including (without limitation) compliance with all the stipulations, covenants, and agreements contained in this Conditional Assignment and Consent, the Secured Revolving Promissory Note, the Loan Agreement, or any other Loan Document, Owner hereby presently, irrevocably, absolutely, and unconditionally assigns, transfers, and sets over to BFI all Owner's right, title, and interest in and to all leases, whether oral or written, now on the Property or any portion of it or that may hereafter be placed on the Property or any portion of it, together with all letters of credit, guaranties, and other security now or hereafter relating to any of them (all other leases, letters of credit, guaranties, and other security being included in the term "Other Leases"), and all the rents, issues, and profits ("Rents") now due or that hereafter become due to Owner derived from the Property, until the Secured Revolving Promissory Note has been fully paid and satisfied of record. Notwithstanding the assignment set forth in this Section, so long as Franchisee is not in default under the Secured Revolving Promissory Note or the Loan Agreement, Owner shall continue to exercise all the rights, privileges, and benefits it has under or arising out of any and all of the Other Leases.

B. Within 15 days after the date Owner signs this Conditional Assignment and Consent it will deliver to BFI the written consent of each prior lienholder to the execution and delivery of the Deed of Trust and this Conditional Assignment and Consent in form reasonably satisfactory to BFI.

1.4 Exercise.

A. Franchisee authorizes BFI, upon and in the event of default in any of the payments due under, or performance of any of the terms, covenants, or conditions of this Conditional Assignment and Consent, the Secured Revolving Promissory Note, the Loan Agreement, or any of the other Loan Documents that is not cured within the time allowed for cure (any of the foregoing an "Event of Default"), at its option to enter upon the Franchise Location and/or give notice to Landlord of the assignment of the tenant's interest in the Franchise Location Lease to BFI. The authority granted to BFI by Franchisee includes the right, at BFI's option, to take over and assume the operation and maintenance of any or all portions of the Franchise Location.

B. Owner authorizes BFI, upon an Event of Default, at its option to enter upon the Property and/or give notice to any and all tenants under any or all of the Leases or the assignment to BFI and to collect, by its officers, agents, or employees, in the name of Assignor or in its own name as assignee, the Rents accrued but unpaid and in arrears at the date of the Event of Default, as well as the Rents thereafter accruing and becoming payable during the period that or any other Event of Default continues. The authority granted to BFI by Owner includes the right, at its option, to take over and assume the management, operation, and maintenance of any or all portions of the Property that are subject to any of the Other Leases and in general to perform all actions necessary in connection with that management in the same manner and to the same extent as Owner might reasonably do. Upon electing to exercise the right to collect Rents, BFI shall at its own discretion determine the method of collection and the extent to which enforcement of collection of delinquent Rents shall be prosecuted but it shall not be accountable for more money than it actually receives from the Property and shall not be liable for failure to collect Rents. BFI shall, after payment of all proper charges and expenses, including (without limitation) administrative expenses in the amount commonly charged by those who collect rent or act as property manager, attorneys' fees, and court costs), credit the net amount received from the Property by virtue of this Conditional Assignment and Consent, or by virtue of the exercise of any power granted in it, to the Secured Revolving Promissory Note or costs chargeable under the Secured Revolving Promissory Note, the Loan Agreement, or any of the other Loan Documents, but the manner of the application of the net income and the items credited shall be within BFI's sole discretion.

1.5 No Liability.

A. Unless and until BFI elects to enter the Franchise Location and take over and assume the position of Franchisee under the Franchise Location Lease, BFI shall not have any obligation to perform any of Franchisee's obligations under the Franchise Location Lease. BFI shall not be obligated to perform or discharge any obligation or duty of Franchisee under the Franchise Location Lease as a result of this Assignment or otherwise and nothing in this Conditional Assignment and Consent shall be construed as an assumption by BFI of any obligation or duty of Franchisee under the Franchise Location Lease or operate to make BFI responsible for the possession, operation, or maintenance of the Franchise Location.

B. Unless and until BFI elects to enter the Property and collect the Rents in place and stead of Owner, BFI shall not have any legal obligation to collect the Rents and at no time shall BFI be in any manner liable or responsible for the failure of any tenant under any or all the Other Leases to pay Rents, but when and if collected the Rents shall be applied to payment of the Secured Revolving Promissory Note or other sums due under any of the Loan Documents. BFI shall not be obligated to perform or discharge any obligation or duty of Owner under any Other Lease or otherwise relating to the Property as a result of this Conditional Assignment and Consent or otherwise and nothing in this Conditional Assignment and Consent shall be construed as an assumption by BFI of any obligation or duty or operate to make BFI responsible for the management, operation, or maintenance of the Property. Owner shall indemnify, defend, and hold BFI harmless from and against any and all liability, loss, damage, cost, and expense, including (without limitation) attorneys' fees and expenses, BFI may at any time incur or suffer under any of the Other Leases or by reason of this Conditional Assignment and Consent or in any other manner relating to the Property except those arising out of or related to its own grossly negligent or deliberately wrongful act. This indemnification and all other

EXHIBIT DO NOT SIGN

indemnification obligations provided in this Conditional Assignment and Consent shall survive payment of the Secured Revolving Promissory Note, exercise of any right or remedy under this Conditional Assignment and Consent or any other Loan Document, any subsequent sale or transfer of the Property, the release of this Conditional Assignment and Consent by BFI, and all similar or related events or occurrences.

1.6 Directive to Tenants. Owner authorizes and directs any tenant or tenants under any of the Other Leases, whether of all or any portion or portions of the Property, upon receipt of notice in writing from BFI to pay to BFI all Rent then due or thereafter to become due under any Lease. Owner designates BFI and its officers and agents as Owner's attorney-in-fact with full power to collect all Rents, to receive, open, and dispose of all mail addressed to Owner, to endorse all checks, drafts, money orders, or other evidence of payment with respect to the Property (including Rents) and to take any additional action reasonably required in connection with the exercise of BFI's rights under this Conditional Assignment and Consent. This power of attorney is coupled with an interest and therefore irrevocable. Owner shall immediately reimburse BFI for all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by BFI in managing the Property, collecting the Rents, or collecting the Secured Revolving Promissory Note after an Event of Default.

1.7 Representations and Warranties. Owner represents and warrants to BFI that (a) neither it nor any of its predecessors in interest has executed any prior assignment or pledge of the Rents or of its interest in and to any Franchise Location Lease or Other Lease, as the case may be, except to a prior lienholder under a lien that is recorded in the public record; (b) it has not performed any acts or executed any agreement that might prevent BFI from or limit it in exercising its rights under this Conditional Assignment and Consent; and (c) it will not execute any other assignment or pledge of the Rents or of its interest in the Franchise Location Lease or any Other Lease and will not execute any agreement that might prevent BFI from or limit BFI in exercising its rights under this Conditional Assignment and Consent.

2. GENERAL PROVISIONS.

2.1 Duration. This Conditional Assignment and Consent shall remain in full force and effect until released in writing by BFI.

2.2 Successors and Assigns. The terms of this Conditional Assignment and Consent shall apply to, be binding upon, inure to the benefit of, and be enforceable by the respective successors in interest, assigns, heirs, and personal representatives of the parties to it.

2.3 Severability; Modification. If any term, covenant, or condition of this Conditional Assignment and Consent or the application of it to any person, entity, or circumstance is held invalid or unenforceable to any extent by a final decision of a court of competent jurisdiction, after all appeal rights have been exhausted or have expired, that term, covenant, or condition shall be deemed amended to the extent and for purposes of that application to render it enforceable to the fullest extent permitted by law. The remainder of this Conditional Assignment and Consent or the application of that term, covenant, or condition to persons, entities, or circumstances other than those as to which it is held invalid or unenforceable shall not be affected and shall be valid and enforced to the fullest extent permitted by law. Except as otherwise provided in this Section, no amendment to or modification of this Conditional Assignment and Consent shall be effective unless contained in a writing signed by all of the parties to it and by BFI, which is an express third party beneficiary of it.

2.4 Headings. The headings in this Conditional Assignment and Consent are for convenience only and shall have no effect on its interpretation.

2.5 Waiver. No waiver by either party of any of its rights under this Conditional Assignment and Consent shall be effective unless contained in a writing delivered to the other party. No course of dealing, delay in exercising any right, power, or remedy, acceptance of payments, late charges, or performance from a party when that party is in default, or enforcement of any remedy shall operate as a waiver or otherwise prejudice of the other party's rights, powers, or remedies under this Assignment.

2.6 Survival of Covenants. Wherever the context requires, the rights granted to BFI and the covenants and obligations of the parties under this Conditional Assignment and Consent shall survive the cancellation or termination of this Conditional Assignment and Consent or the Franchise Agreement for any reason or the expiration of the Franchise Agreement.

2.7 Governing Law. The laws of the State where the Franchise Location is situated, without regard to its law on conflicts of law, shall govern the validity, construction, performance, and enforcement of this Conditional Assignment and Consent and any dispute relating to it.

2.8 Forum; Venue. Any legal action, claim, or lawsuit directly or indirectly arising out of or related to this Conditional Assignment and Consent shall be instituted exclusively in the federal or state courts located in the County of Riverside, State of California, and nowhere else. Any legal action, claim, or lawsuit as to which there is for any reason federal jurisdiction shall be instituted exclusively in a federal district court located in the United States District Court having jurisdiction over Riverside County, California.

2.9 No Class Actions; NO JURY TRIAL. No action or proceeding directly or indirectly arising out of this Conditional Assignment and Consent shall be brought as a class action. Any claim you bring or assert against us under this Conditional Assignment and Consent shall be brought or asserted only by and for you individually and not as a member of any class. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, FRANCHISEE WAIVES ANY RIGHT TO A JURY TRIAL IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS ASSIGNMENT.

2.10 Recitals; Schedules. The recitals set forth in Paragraphs A through F at the beginning of this Conditional Assignment and Consent are the basic premises of this Conditional Assignment and Consent and are incorporated in it. The Schedules referred to in this Conditional Assignment and Consent are attached and incorporated in it by this reference.

2.11 Counterparts; Electronic Signatures. This Conditional Assignment and Consent may be executed in one or more counterparts, all of which taken together shall constitute one original agreement. Facsimile and electronic signatures shall be as effective as original signatures. Counterparts transmitted electronically or by facsimile transmission shall be as effective as an original.

2.12 Anti-Terrorism Law Compliance. Each party executing this Assignment represents and warrants to BFI that: (a) neither it nor any of its shareholders, members, officers, directors, managers, employees, or anyone associated with the Franchise Location or the Property in any way (collectively, "Associates") is subject to sanctions of the United States government or in violation of any federal, state, municipal, or local laws, statutes, codes, ordinances, orders, decrees, rules, or regulations relating to terrorism or money laundering, including (without limitation) Executive Order No. 13224, 66 Fed. Reg. 49079 (published September 25, 2001) or is similarly designated under any related enabling legislation or any other similar Executive Order, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, any sanctions and/or regulations promulgated under authority granted by the Trading with the Enemy Act, 50 U.S.C. App. 1 44, as amended from time to time, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 06, as amended from time to time, the Iraqi Sanctions Act, Publ. L. No. 101 513; United Nations Participation Act, 22 U.S.C. § 287c, as amended from time to time, the International Security and Development Cooperation Act, 22 U.S.C. § 2349 aa 9, as amended from time to time, The Cuban Democracy Act, 22 U.S.C. §§ 6001 10, as amended from time to time, The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 2339b, as amended from time to time, and/or The Foreign Narcotics Kingpin Designation Act, Publ. L. No. 106 120, as amended from time to time (all the above referred to collectively as the "Terrorism Laws"); (b) no property owned by or interests of that party or any of its Associates is subject to being "blocked" under any of the Terrorism Laws, (c) it shall not at any time hire, engage, or have dealings with anyone who is subject to sanctions under or in violation of any of the Terrorism Laws; (d) it shall at all times comply with and assist us to comply to the fullest extent possible with the Terrorism Laws, and (e) if any of the Associates becomes subject to or violates any of the Terrorism Laws it shall immediately sever its relationship with that Associate. The representations and warranties set forth in this Section shall survive the expiration or earlier termination of this Assignment.

2.13 Rights Cumulative. The grant to BFI of the rights and remedies provided in this Conditional Assignment and Consent are cumulative with all other rights and remedies given BFI by law or the other Loan Documents, the Franchise Agreement, the Lease Addendum provided pursuant to the Franchise Agreement, and all other agreements between BFI and Franchisee, Owner, and/or Franchise Location Landlord (the "Other Agreements"). BFI's exercise of any right granted it in this Assignment shall not act as an election of remedies and shall not waive its right to exercise any right or remedy given it by any of the Other Agreements or by law.

FRANCHISEE	**LANDLORD**
By ______________________________	By ______________________________
Name: __________________________	Name: __________________________
Title: ___________________________	Title: ___________________________

EXHIBIT DO NOT SIGN

EXHIBIT DO NOT SIGN

SCHEDULE 1

Franchisee: ____

Franchise Agreement between BFI and Franchisee dated:____________________

Loan and Security Agreement between BFI and Franchisee dated:______________

Franchise Location: ________________________________
____
____

Facility Number: ___________

Secured Revolving Promissory Note from Franchisee to BFI
Dated: ___________________________
Principal amount: __________________

Property: ______________________________________
____
____

Owner:
- ☐ Franchisee
- ☐ Affiliate: ____
- ☐ Third Party: ____

Other Property Leases:

Tenant	Date
______________________	______________________
______________________	______________________
______________________	______________________
______________________	______________________

Franchise Location Lease Landlord: ____________________; Date: ____________________

Addendum to Lease between Franchisee and Landlord Dated: ________________________

EXHIBIT DO NOT FILL

EXHIBIT DO NOT SIGN

SCHEDULE 2

FURNISHINGS, FIXTURES, AND EQUIPMENT

FRANCHISEE OWNER'S ASSUMPTION, GUARANTY, CONFIDENTIALITY AGREEMENT, AND ASSIGNMENT

FRANCHISEE OWNER'S ASSUMPTION, GUARANTY, CONFIDENTIALITY AGREEMENT, AND ASSIGNMENT

____ ("Owner") acknowledges that as a person owning an interest in a Beyond Food Mart® franchisee or an entity that owns an interest in a Beyond Food Mart® franchisee ("Franchisee") granted by Beyond Franchising Inc. ("BFI"), Owner:

A. Wishes to induce BFI to enter into a Beyond Food Mart® Franchise Agreement (the "Franchise Agreement") with and grant a franchise to Franchisee and recognizes why BFI would not grant a franchise to an entity franchisee unless the entity's owners stand behind the entity's obligations under the Franchise Agreement;

B. Will obtain and have access to confidential information, trade secrets, and proprietary information, materials, and data that belong to BFI, including (without limitation) convenience store operating techniques; inventory selection, presentation, and promotion; product composition, descriptions, recipes, formulations, selection, and characteristics; food preparation methods, techniques, and standards; quality control standards and mechanisms; product ideas and concepts; proprietary software, source codes, and object codes; proprietary equipment; customer names, needs, requirements, preferences, and purchasing habits; names of vendors and suppliers; prices at which franchisees purchase and sell products, services, goods, and supplies; operating, production, and sales costs; sales, marketing, and business management techniques and information; employee compensation and other terms of employment; revenue, expense, sales, income, and other financial information; and other methods, standards, practices, ideas, inventions, improvements, plans, and information about the franchised business and its operation and the Beyond Food Mart® method of doing business, franchise system, franchise operations, business, and products (collectively the "Proprietary Information"); and

C. Understands and agrees that BFI relies on its franchisees and their owners, who use and benefit from BFI's resources, training, know-how, reputation, goodwill, and Proprietary Information, all of which BFI has developed at substantial cost, not only to preserve the secrecy of the Proprietary Information but also to generate and develop new and improved ideas, processes, techniques, methods, and recipes and new and additional business, all of which belong to BFI and are part of the value received by BFI in return for the license granted to Franchisee to use the Beyond Food Mart® name, marks, and method of doing business and participate in the Beyond Food Mart franchise system.

NOW, THEREFORE, in consideration of the grant of a franchise to Franchisee, disclosure of the Proprietary Information, and the license granted to Franchisee to use the Proprietary Information during the term of the franchise (which Owner acknowledges and agrees will benefit Owner), Owner hereby agrees:

1. UNCONDITIONAL ASSUMPTION AND CONTINUING PERSONAL GUARANTY.

1.1 ASSUMPTION. Owner consents to, approves, and agrees to be bound by the provisions of the Franchise Agreement and agrees that any and all of Owner's interest in Franchisee shall be subject to the transfer restrictions and other provisions of the Franchise Agreement and that, except as expressly permitted by the Franchise Agreement, Owner will not transfer or attempt to transfer in any manner whatsoever any interest in Franchisee or cause or permit Franchisee to issue any additional ownership interests of any kind or nature whatsoever without BFI's prior written consent, which BFI may withhold as set forth in the Franchise Agreement. Owner unconditionally and irrevocably assumes and agrees to perform as Owner's personal obligation, as if Owner were a primary and direct party to the Franchise Agreement, each and all of the terms, covenants, and conditions of the Franchise Agreement to be kept or performed by Franchisee, including (without limitation) payment of all sums that become due under the Franchise Agreement.

1.2 PERSONAL GUARANTY. Owner unconditionally, irrevocably, and continually guarantees the full performance of each and all of the terms, covenants, and conditions of the Franchise Agreement to be kept or performed by Franchisee, including (without limitation) payment of all sums that become due under the Franchise Agreement. Owner further agrees that:

a. This guaranty shall continue in favor of BFI notwithstanding any (a) extension, modification, or alteration of the Franchise Agreement; or (b) assignment of the Franchise Agreement, with or without BFI's consent;

b. No extension, modification, alteration, or assignment of the Franchise Agreement shall in any manner release, discharge, or exonerate Owner;

c. Owner consents to any extension, modification, alteration, or assignment of the Franchise Agreement;

d. This guaranty shall continue in full force and effect and shall not be changed despite any bankruptcy, reorganization, or insolvency of Franchisee or any successor or assignee of Franchisee, or any disaffirmance or abandonment by a trustee of Franchisee;

e. BFI may assign or transfer this guaranty in whole or in part, with or without notice, and no assignment or transfer shall operate to extinguish or diminish Owner's liability;

f. Owner's liability under this guaranty shall be primary and BFI may, at its option, proceed against Owner for the payment or performance of any obligation of Franchisee under the Franchise Agreement without first seeking payment or performance by or instituting any action against Franchisee, and without joinder of Franchisee in any action to enforce this guaranty;

g. Recourse may be had against Owner's separate property for Owner's obligations or liabilities under this guaranty regardless of whether the Beyond Food Mart® franchise is community property;

h. This guaranty shall be binding upon and inure to the benefit of the respective successors in interest, personal representatives, heirs, and assigns of BFI and Owner; and

i. Owner waives presentment, demand for performance, notice of default under the Franchise Agreement, notice of nonperformance, notice of acceptance of this guaranty, and diligence, and all other notices or formalities to which Owner might otherwise be entitled.

2. PROPRIETARY INFORMATION.

2.1 Ownership. The Proprietary Information belongs to BFI and Owner disclaims any rights in it. Owner will use the Proprietary Information only in Owner's capacity as an owner and/or employee of Franchisee and during the term of Franchisee's Franchise Agreement and will not at any time during or after termination of Franchisee's Franchise Agreement directly or indirectly disclose, use, or communicate in any fashion, form, or manner any of the Proprietary Information or any proprietary or confidential information of any kind, nature, or description concerning, affecting, or relating to BFI's business or products except as expressly permitted by the Franchise Agreement and only during the term of the Franchise Agreement. Owner will never use any of the Proprietary Information for the benefit of any person or entity except BFI or its franchisees.

2.2 No Copies. Owner will not make any copies of any of the Proprietary Information or any documents, memoranda, reports, files, samples, correspondence, or other written records or materials related to or concerning BFI's business or products (collectively, "Documents") without BFI's prior written consent. Owner will return to BFI on demand any copies of any Documents or Proprietary Information in Owner's possession. Owner will not remove the Beyond Food Mart® Operations Manual from the franchise location.

2.3 No Disclosure; No Competitive Employment. Owner joins in, assumes, and undertakes each and every covenant and duty pertaining to protection of Proprietary Information, trade secrets, trade or service marks, or other intellectual property, confidentiality, honesty, and accuracy set forth in the Franchise Agreement. Owner will not (a) directly or indirectly reveal to any person or entity any information Owner learns or learned about BFI's business operations, methods, or customers, while Franchisee is a Beyond Food Mart® franchisee or upon assignment, expiration, or termination of the Franchise Agreement for any reason; or (b) except as expressly permitted in writing by BFI, undertake any employment or activity competitive with BFI or Franchisee during the term of Franchisee's franchise, or after the term of Franchisee's franchise if the loyal and complete fulfillment of Owner's duties would require Owner to reveal, make judgments based upon, or otherwise use any of the Proprietary Information. Because the Proprietary Information is unique, BFI will be entitled not only to damages for breach of the requirements and limitations pertaining to Proprietary Information but also to specific performance of them and an injunction against any action in violation of them, without having to post any bond.

3. ASSIGNMENT OF INVENTIONS. Owner will disclose to BFI all methods, processes, procedures, techniques, ideas, discoveries, or other innovations that relate in any manner to BFI's past, present, or contemplated business, or any area of business into which BFI might naturally expand, conceived or developed by Owner, alone or with others, during the term of the Franchise Agreement (collectively "Developments"). All Developments shall belong exclusively to BFI. During the term of the Franchise Agreement and at any time thereafter, Owner shall sign any documents BFI deems necessary or desirable to assign to BFI all of Owner's interest in any Development or to obtain patents or copyrights for any Development in any country and Owner will assist BFI in obtaining patents and copyrights anywhere in the world. Owner hereby assigns, sells, and transfers to BFI any and all interest Owner may have in the copyrights or any patent obtained for any Development. Owner represents and warrants to BFI that all the work on any Development created by Owner is Owner's original work and that no other person or entity has any interest in any of it. Owner understands that this assignment requirement does not apply to inventions that qualify fully under California Labor Code Section 2870 to the extent it applies to Owner.

4. SEVERABILITY; LEGAL FEES. If any portion of this Agreement is found to be void or unenforceable, that portion shall be deemed amended to the extent necessary to make it fully enforceable and the remaining portions shall continue to be binding and fully enforceable. If any action is brought for breach of this Agreement, the prevailing party shall be entitled to an award of legal fees incurred in connection with that action.

IN WITNESS WHEREOF, Owner has executed this Agreement.

Dated: ______________________________

EXHIBIT

____
PRINT NAME

____
SIGNATURE

DO NOT

____
Street Address

____
City and State

_______________ / _______________
Telephone: home and cellular

FILL

____
Email

CONSENT OF SPOUSE/DOMESTIC PARTNER

CONSENT OF SPOUSE/DOMESTIC PARTNER

I, ________________________, hereby certify that I:

1. Am the spouse/domestic partner of ________________________ ("Owner"), who owns an interest in ____, a _______________________ that has signed a Beyond Food Mart Franchise Agreement dated as of _______________________________ (the "Franchise Agreement"). Owner has signed a Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment for BFI (the "Owner's Agreement").

2. Have read the Franchise Agreement and the Owner's Agreement know their contents and that by their provisions Owner agrees to certain restrictions on the assign, sell, or transfer of any interest in the Franchise Agreement, agrees to maintain the confidentiality of certain information, and assigns to BFI all rights in inventions and other intellectual property related to the business that is the subject of the Franchise Agreement (the "Franchised Business").

3. Acknowledge that I may have a community property or other interest in the Franchised Business.

4. Consent to and approve the provisions of the Franchise Agreement and the Owner's Agreement, accept and agree to be bound by the Franchise Agreement and the Owner's Agreement as if I had independently signed each of them, and agree that any and all of my interest, if any, in the Franchised Business shall be subject to the provisions of the Franchise Agreement and the Owner's Agreement.

5. Agree that I will not at any time take any action to hinder the operation of the Franchise Agreement or the Owner's Agreement or the performance of the terms of either of them with respect to my interest, if any, in the Franchised Business or any intellectual property that is the subject of the Owner's Agreement and will not attempt to dispose, by Will or otherwise, of all or any part of any interest I may have in Franchise Agreement or the Franchised Business and that the residuary clause of my Will shall be deemed not to apply to any interest in either of them.

6. Agree that in connection with any dissolution of my present marriage I will transfer to my spouse any and all of my interest, actual or beneficial, in the Franchise Agreement and the Franchised Business.

7. Consent to having my interest, if any, in the Franchise Agreement and the Franchised Business held by Owner in Owner's name alone and managed, controlled, and disposed of solely by Owner.

8. Appoint Owner as my attorney-in-fact for the exercise of any rights or obligations under the Franchise Agreement or the Owner's Agreement.

9. Agree that this Consent shall be binding on my executors, administrators, heirs, and assigns.

10. Agree to execute and deliver any other documents necessary or desirable to carry out the intent of the Franchise Agreement, the Owner's Agreement, or this Consent.

EXHIBIT DO NOT SIGN

11. Am aware that the legal, financial, and business interests and matters covered by the Franchise Agreement and the Owner's Agreement are complex and that I should seek independent professional guidance or counsel with respect to them if I wish to have that advice.

12. Acknowledge that I have either sought independent guidance, including legal and financial guidance or counsel or determined after reviewing the Franchise Agreement and the Owner's Agreement carefully that I will waive the right to do that.

13. Acknowledge that I am under no disability or impairment that affects my decision to sign this Consent and I knowingly and voluntarily intend to be legally bound by this Consent.

IN WITNESS WHEREOF, I have executed this Consent knowingly and voluntarily as of the ____ day of ___________________ 20___.

____
Signature

____
Print Name

GENERAL RELEASE AND COVENANT SURVIVAL ACKNOWLEDGEMENT

GENERAL RELEASE AND COVENANT SURVIVAL ACKNOWLEDGEMENT

EXHIBIT DO NOT FILL

THIS GENERAL RELEASE AND COVENANT SURVIVAL ACKNOWLEDGEMENT is made and entered into as of _______________, 20____ by ____ ____(“Franchisee”), ____ (“_______________”), ____(“_______________”), and ____(“_______________”) (individually and collectively, “Releasors”) for the benefit of Beyond Franchising Inc., a California corporation (“Franchisor”) and its parents, subsidiaries, affiliates, officers, directors, shareholders, agents, employees, independent contractors, and attorneys (collectively, “Released Parties”) with reference to the following facts:

A. Franchisee is the franchisee of a Beyond Food Mart® franchise located at ____ (the “Franchised Business”) pursuant to a Franchise Agreement between it and Franchisor dated as of ______________________________(the “Franchise Agreement”). ___________________ ____ are all of the owners of Franchisee.

B. Franchisee is transferring all of its right, title, and interest in the Franchised Business, any lease (“Lease”) of the premises where the Franchise is operated (“Premises”), all of the furniture, fixtures, equipment, goods, inventory, supplies, and other personal property located in or on the Premises or used in the operation of the Franchised Business, and all of its interest in the Franchise Agreement to ____ ____ (“Assignee”).

C. The Franchise Agreement requires that Releasors release all claims against each of the Released Parties upon transfer of Franchisee’s interest in the Franchise Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, each of Releasors hereby agrees:

1. RELEASE.

1.1 GENERAL RELEASE OF RELEASED PARTIES. On and as of the effective date of this Release, each of Releasors, for it, her, or himself and for it, her, or his shareholders, directors, officers, members, managers, spouse (as manager of any community property interest in Franchisee), domestic partner, heirs, beneficiaries, executors, administrators, predecessors and successors in interest, and assigns, and for every person or entity with any interest, direct or indirect, in Franchisee on the effective date of this Release, hereby releases, acquits, and forever discharges each of the Released Parties, and their respective heirs, beneficiaries, executors, administrators, predecessors and successors in interest, and assigns of those of their officers, directors, shareholders, agents, and employees, and every person or entity with any interest in any of them, from any and all duties, claims, debts, liabilities, demands, obligations, expenses, damages, actions, and causes of action of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected (collectively, “Claims”) arising prior to the effective date of this Release, including (without limitation) those arising out of or related in any manner whatsoever to the Franchised Business, the Franchise Agreement, or any alleged breach of contract, misrepresentation, or violation of any statute, law, rule, or regulation relating to the offer or sale of franchises, business opportunities, seller assisted marketing plans, or similar methods of distribution.

1.2 Unknown Claims. Each of Releasors acknowledges and agrees that it, she, or he intends this Release to be effective as a bar to each and all of the Claims, even though it, she, or he recognizes that it, she, or he may be releasing Claims of which it, she, or he is totally unaware or unsuspecting and that it, she, or he might be unwilling to release if known. Accordingly, each of Releasors expressly agrees that this Release shall be given full force and effect according to each and all of its express terms and provisions, including (without limitation) those related to unknown and unsuspected claims, demands, or causes of action, if any, and shall deprive it, her, or him of all Claims against any or all of the Released Parties. In furtherance of this intention, each of Releasors expressly waives any and all rights or benefits that might otherwise be conferred on it, her, or him by California Civil Code Section 1542 or any similar law that may apply. California Civil Code Section 1542 provides:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

1.3 No Assignment. Each of Releasors represents and warrants to each Released Party that it, she, or he has not assigned or transferred, or purported to assign or transfer, to any other person or entity any claim or other matter released by this Release. Each of Releasors shall indemnify, defend, and hold harmless each of the Released Parties from and against any loss, claims, costs, or expenses (including, without limitation, all legal, expert, and other fees and costs related to the defense of any action) based upon or arising out of any claimed assignment or transfer by it, her, or him.

2. SURVIVAL OF COVENANTS. Each of Releasors confirms and acknowledges that the following Sections of the Franchise Agreement survive the assignment of the Franchise Agreement and that it, she, or he continues to be bound by Franchise Agreement Sections ______________________________. Each of Releasors confirms and acknowledges that the Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment remains in full force and effect.

3. LEGAL FEES. Should any action or proceeding be brought to interpret or enforce rights pursuant to this Release, the party prevailing in that action shall be entitled to recover reasonable legal fees, including (without limitation) costs and fees incurred in connection with any appeal, as costs of suit (and not as damages).

4. GOVERNING LAW. The laws of the state where the Franchised Business is located shall govern the interpretation, construction, and enforcement of this Release.

5. REPRESENTATION. Each of Releasors acknowledges and warrants that it, she, or he has had the opportunity to be represented by counsel of its, her, or his own choosing in connection with the preparation and execution of this Release and the negotiation of its terms, and has done so to the extent it, she, or he deemed necessary. Accordingly, although this Release was initially prepared by counsel for Franchisor, it shall not be construed more strictly against one party than another.

6. COUNTERPARTS; ELECTRONIC SIGNATURES. This Release may be executed in one or more counterparts, all of which taken together shall constitute one original agreement. This Release shall be binding upon each party as and when it has been signed by or on behalf of that party, regardless of whether any other party has or does sign any counterpart. Signatures on counterparts transmitted electronically or by facsimile transmission shall be as effective as an original but a signatory shall deliver an ink original within three business days after receipt of a written request from any party to or beneficiary of this Release.

7. AUTHORITY. Each signatory represents and warrants that it, she, or he has full authority to execute this Release on behalf of any entity for which it, she, or he signs and that by its, her, or his signature below that entity is bound.

IN WITNESS WHEREOF, each of Releasors has executed this Release as of the date first above written.

RELEASORS

FRANCHISEE

______________________________ ______________________________ Entity Name	______________________________ Signature
By:___________________________ Signature	______________________________ Print Name
______________________________ Name and Title of Signer	______________________________ Signature
	______________________________ Print Name

EXHIBIT DO NOT SIGN

FRANCHISEE CERTIFICATION

BEYOND FRANCHISING INC.

BEYOND FOOD MART® FRANCHISEE CERTIFICATION

In connection with the execution of a Franchise Agreement between you and Beyond Franchising Inc. ("we", "us", or "our") for your development and operation of a Beyond Food Mart® franchise (the "Franchise"), we wish to determine whether any of our employees or representatives has made any statement or promise to you that we have not authorized and that may be untrue, inaccurate, misleading, or unenforceable.

Please review each of the questions and statements below carefully and be sure that the responses you provide are accurate and complete.

EXHIBIT DO NOT FILL

1. Have you received and personally reviewed the Franchise Agreement, all other agreements you will sign with us ("Related Agreements"), and all schedules, exhibits, addenda, and amendments to all of them?

   Yes _____ No _____

2. Do you understand all of the information contained in the Franchise Agreement, each Related Agreement, and all schedules, exhibits, addenda, and amendments to all of them?

   Yes _____ No _____

   If not, what parts of the Franchise Agreement, Related Agreements, schedules, exhibits, addenda, and amendments do you not understand? (Attach additional pages, if necessary.)

   ____
   ____
   ____
   ____

3. Have you received and personally reviewed our Franchise Disclosure Document ("FDD") dated April 19, 2018, as amended August 30, 2018?

   Yes _____ No _____

4. Did you sign a receipt for the FDD that correctly reflects the date you first received the FDD?

   Yes _____ No _____

EXHIBIT DO NOT SIGN

5. Do you understand all of the information contained in the FDD and any state-specific Addendum to it?

Yes _____ No _____

If not, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, if necessary.)

____
____
____
____

6. Have you discussed with an attorney, accountant, and/or other professional advisor the benefits and risks of entering into the Franchise Agreement and developing and operating a franchised Beyond Food Mart®?

Yes _____ No _____

If not, do you wish to have more time to do so?

Yes _____ No _____

7. Do you understand that the success or failure of your franchised Beyond Food Mart® will depend 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 _____

8. Has any employee or other person claiming to speak on our behalf made any statement or promise concerning the actual or possible revenues, profits, or operating costs of a franchised Beyond Food Mart® that is contrary to, different from, or in addition to the information contained in the FDD?

Yes _____ No _____

9. Has any employee or other person claiming to speak on our behalf made any statement or promise regarding the amount of money you may earn in operating a franchised Beyond Food Mart®?

Yes _____ No _____

EXHIBIT DO NOT FILL

10. Has any employee or other person claiming to speak on our behalf made any statement or promise concerning the total amount of revenue a franchised Beyond Food Mart® will or may generate?

Yes _____ No _____

11. Has any employee or other person claiming to speak on our behalf made any statement or promise regarding the costs you may incur in operating a franchised Beyond Food Mart® that is contrary to, different from, or in addition to the information contained in the FDD?

Yes _____ No _____

12. Has any employee or other person claiming to speak on our behalf made any statement or promise concerning the likelihood of your success operating a franchised Beyond Food Mart®?

Yes _____ No _____

13. Has any employee or other person claiming to speak on our behalf made any statement, agreement, or promise concerning the advertising, marketing, training, support service, or assistance we will furnish to you that is contrary to, different from, or in addition to the information contained in the FDD?

Yes _____ No _____

14. Have you entered into any written agreement with us concerning the purchase of a franchised Beyond Food Mart® before today?

Yes _____ No _____

15. Have you paid any money to us relating to the purchase of a franchised Beyond Food Mart® before today?

Yes _____ No _____

16. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchised Beyond Food Mart® and your rights to and with regard to it and that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes _____ No_____

EXHIBIT DO NOT FILL

EXHIBIT DO NOT SIGN

17. If you have answered "yes" to any of questions 8-15, please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "no" to each of questions 8-15, please draw a diagonal line through the following lines.

____
____
____
____
____
____
____

EXHIBIT DO NOT FILL

I signed the Franchise Agreement and Addenda (if any) on ________________, 20____, and acknowledge that no agreement or addendum is effective until signed and dated by you.

YOUR ANSWERS ARE IMPORTANT TO US AND WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED CAREFULLY AND RESPONDED TRUTHFULLY TO EACH QUESTION ABOVE.

FRANCHISEE APPLICANT

____
____
Individual or Entity Name

By______________________________________
Signature

____
Name and Title if Franchisee is not an Individual

________________________________, 20___
Date

FRANCHISEE INFORMATION

FRANCHISEE INFORMATION

1. Approved location: ____
____
____

Facility Number: ______________

2. Address for notices (if different than 1): ____
____
____

3. Franchisee's ownership and management. The Franchisee is *[check one]*

_____ (a) an individual who is not married and is not a domestic partner
_____ (b) married couple
_____ (c) domestic partners
_____ (d) a corporation State of incorporation: ______________________
_____ (e) a limited liability company State of formation: ______________________
_____ (f) a general partnership State of formation: ______________________
_____ (g) a limited partnership State of formation: ______________________
Identity of general partner: ____________________
_____ (h) other Explain: ____________________________________

4. The following persons are the owners, officers, directors, and managers of the Franchisee and their spouses or domestic partners:

Name and Address	Home Telephone, Cell Phone, and Personal Email	Indicate all positions held as Manager or Officer, Director, and/or partner and nature and percentage of ownership		

5. Initial Managers are: ____

EXHIBIT DO NOT FILL

STATE ADDENDUM

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

OUR WEBSITE, WWW.BEYONDFOODMART.COM, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

ITEM 3. LITIGATION

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

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning assignment, termination, transfer, or non-renewal of a franchise. California Corporations Code Sections 31000 through 31516, and California Code of Regulations, Sections 310.000 through 310.505 provide additional rights. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Section 25(t) and (u) of the Franchise Agreement allow us to terminate if you become insolvent or if a petition in bankruptcy is filed by you or filed against and consented to by you or not dismissed within 60 days. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. § 101 et seq.)

RISK FACTORS REQUIRED BY THE STATE OF CALIFORNIA:

ITEM 12. TERRITORY

THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.

GUARANTY

YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

OTHER MATTERS

THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A WAIVER OF JURY TRIAL.

RECEIPT

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Beyond Franchising Inc. offers you a franchise, it must provide this disclosure document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that Beyond Franchising Inc. provide this disclosure document to you at the earlier of the first personal meeting or 10 business days before you sign any agreement with or make a payment to us or our affiliate that relates to the franchise relationship.

Michigan requires that Beyond Franchising Inc. provide this disclosure document to you at least 10 business days before you sign any agreement with or make any payment to us or our affiliate, whichever occurs first.

If Beyond Franchising Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed in Exhibit A.

The name, principal business address and telephone number of each seller offering the franchise is indicated below:

Name	Address	Telephone Number
1. Mr. Mark Sater	Beyond Franchising Inc. 4300 Edison Avenue Chino, CA 91710	909-465-4101
2. Mr. Nick Fahed	Beyond Franchising Inc. 4300 Edison Avenue Chino, CA 91710	909-465-4101
3.		
4.		

Date of Issuance: April 19, 2018, as amended August 30, 2018.

See Exhibit A for our registered agents authorized to receive service of process.

I have received the Beyond Franchising Inc. disclosure document dated April 19, 2018, as amended August 30, 2018, that included the following Exhibits:

A State Administrators and Agents for Service of Process
B Brand Quality Assurance Manual Table of Contents
C Financial Statements
D Franchise Agreement with Exhibits
E Loan and Security Agreement with Exhibits
F Secured Revolving Promissory Note
G Deed of Trust with Assignment of Rents and Fixture Filing
H Conditional Assignment of Leasehold Interests and Landlord's Consent and Waiver
I Lender's Consent, Fixture Waiver, and Nondisturbance Agreement
J Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment
K Consent of Spouse/Domestic Partner
L General Release and Covenant Survival Acknowledgement
M Franchisee Certification
N Franchisee Information
O State Addendum
P Receipt

____
Date

____
____
Print Name of Franchisee

____
Signature

____
Print Name of Signer

____
Print Signer's Title if Franchisee is not an Individual

Return our copy of this receipt to:
Beyond Franchising Inc.
4300 Edison Avenue
Chino, CA 91710
Attn: President
Fax: 909-465-4101

Our Copy – Please Return

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Beyond Franchising Inc. offers you a franchise, it must provide this disclosure document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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J Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment
K Consent of Spouse/Domestic Partner
L General Release and Covenant Survival Acknowledgement
M Franchisee Certification
N Franchisee Information
O State Addendum
P Receipt

____
Date

____
____
Print Name of Franchisee

____
Signature

____
Print Name of Signer

____
Print Signer's Title if Franchisee is not an Individual

Return our copy of this receipt to:
Beyond Franchising Inc.
4300 Edison Avenue
Chino, CA 91710
Attn: President
Fax: 909-465-4101

Your Copy – Please Retain