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 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, packaged food, prepared food, and other items commonly sold at convenience stores, as well as some tobacco products and alcoholic beverages if they can legally be sold at the Beyond Food Mart® location.

The total investment necessary to begin operation of a franchised Beyond Food Mart® business is $749,670 to $5,843,670 if you purchase from one of our affiliates real property with a fully built out and equipped Beyond Food Mart® on it; $565,670 to $1,871,670 if you lease from one of our affiliates real property with a fully built out and equipped Beyond Food Mart® on it; $649,670 to $1,843,670 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®; $849,670 to $5,843,670 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®; $665,670 to $1,871,670 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®; $349,670 to $993,670 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; $549,670 to $4,993,670 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; $365,670 to $1,021,670 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; $549,670 to $4,993,670 if you purchase real property with an existing building that has a finished interior that you build out to create a Beyond Food Mart®; $365,670 to $1,021,670 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 $349,670 to $4,993,670 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.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Naser Abdallat at 4300 Edison Avenue, Chino, California 91710, (951) 756-2909, franchise@beyondfoodmart.com.

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: December 27, 2023.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

2. **Franchise Brokers.** 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.

3. **Personal Guarantee.** 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.

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

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

BEYOND FOOD MART®
FRANCHISE DISCLOSURE DOCUMENT

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

The franchisor is Beyond Franchising Inc., a California corporation, 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") with a principal business address of 4300 Edison Avenue, Chino, California 91710 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") with a principal business address of 4300 Edison Avenue, Chino, California 91710 to which the LLC has licensed the Name, Marks, and IP and given the right to develop and operate Beyond Food Mart® locations.

Some of the Beyond Food Mart® locations the Corporation develops may be on real property owned by another of our affiliates. The Corporation may operate some of those locations permanently or for a limited amount of time and then may sell the assets of the Beyond Food Mart® to persons or entities who enter into Beyond Food Mart® franchise agreements with us. At other times, an affiliate of ours that owns real property may lease or sell the location with or without improvements 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.

We began our business in January 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 as the Franchise Trade Commission Franchise Rule requires, we regard and refer to locations operated by the Corporation as company-owned locations. The Corporation currently operates one Beyond Food Mart® location. Various of our affiliates have and intend to continue to purchase real properties suitable for development as a convenience store, often combined with a vehicle fueling station. Either before or after obtaining the entitlements required for that development, these affiliates of ours may sell or lease the real property to a buyer on the condition that the buyer enter into a Franchise Agreement with us for development and operation of a Beyond Food Mart®.

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 four exempt franchises in 2015, 2016, and 2017 but it no longer offers 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® (the "Franchised Business"). 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

Many federal, state, county, and municipal laws that apply to all businesses will regulate your Beyond Food Mart® and its operation. On the federal level the generally applicable laws that may have the greatest impact on the development and operation of your Beyond Food Mart® include the Americans with Disabilities Act and particularly its parking and accessibility requirements, the Clean Air Act provisions governing emissions from your store, the Payment Card Industry Data Security Standards and other consumer privacy laws, antidiscrimination laws, and the many laws affecting employees, including the (without limitation) Occupational Safety and Health Act, the Equal Employment Opportunity Act, the Affordable Care Act, and laws prohibiting sexual harassment. Many states have similar, and sometimes more stringent, laws like these.

There are also federal laws and laws in every state and many counties and municipalities that impose special requirements on food service businesses, which may include aspects of your Beyond Food Mart®. The federal laws that apply specifically to food service businesses include laws administered by the United States Federal Trade Commission, the United States Department of Agriculture, and the United States Food and Drug Administration ("FDA"). These laws and the regulations established by the agencies that administer them include requirements regarding food labeling, menu nutrition disclosures for food service businesses that meet or are part of a group that meets certain size thresholds, other calorie or nutritional content disclosures, and restrictions on health claims (for instance, saying a food item is "low fat"), among others. One example of those legal requirements is the Nutrition Labeling and Education Act that establishes requirements for food labeling that include nutritional label standards, nutrient content claims, and health claims that are detailed in the FDA's Nutrition Labeling of Standard Menu Items in Restaurants and Similar Food Establishments.

It is common for states, counties, and cities to have specific laws about food safety, handling, storage, and preparation, sanitation for facilities that sell food items, menu disclosures that require things like disclosure of ingredients and calorie content, and prohibitions on smoking. Some of these laws are similar to or even more stringent than the federal laws. For example,

California requires food service facilities that meet specified criteria (including franchise systems with at least 20 outlets with the same name) to give nutritional information for standard menu items that includes the total number of calories, grams of saturated fat, grams of trans fat, and milligrams of sodium, as well as to have menu boards display the total number of calories.

Many county or city health departments, particularly those in California, inspect facilities that sell food items to ensure compliance with safe food handling practices and often require the facility to display the grade or rating it received. Local building and zoning regulations commonly control the general location of your Beyond Food Mart® and may also impact many facets of the construction of your Beyond Food Mart®.

We require you to sell beer and wine for off-premises consumption if a license is available for your Beyond Food Mart® franchise location (the "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, including 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. With Mr. Fahed, he owns and manages two other affiliate entities related to the Beyond Food Mart® business, including being (i) a shareholder, the President, Chief Financial Officer, and a member of the Board of Directors of the Corporation since August 2014 and (ii) a Managing Member of the LLC, the owner of the Name, Marks, and IP we sublicense to you, since August 2014. From June 2005 through the present Mr. Sater has been the Manager of Saterbros, LLC, a California limited liability company 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 California petroleum distribution corporation that sells petroleum to our franchisees, and Cedar Landmark, Inc., a California corporation that owns and operates service stations under various brands, some of which have a Beyond Food Mart® on the service station property. If you operate at a service station 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 fuel from a source we designate, which is presently Cedar Oil International, Inc. Mr. Sater, with Mr. Fahed, is also one of the owners of Moreno Valley Fuel Group Inc., Alder Fuel, Inc., and Dos Lagos Oil, Inc., all California corporations and Beyond Food Mart® franchisees, and Landmark Foodmaster, Inc., a California corporation 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 for sale at your Beyond Food Mart®. 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. With Mr. Sater, he owns and manages two other affiliate entities related to the Beyond Food Mart® business, including being (i) a shareholder, the Secretary, and a member of the Board of Directors of the Corporation since August 2014 and (ii) a Managing Member of the LLC, the owner of the Name, Marks, and IP we sublicense to you, since August 2014. Mr. Fahed has had a real estate salesperson license since February 2001 and has been a real estate sales agent concentrating on commercial sales since 2004. From February 2010 to September 2019 he was with Jousting Real Estate, Inc., a California corporation in which he was the sole shareholder, and from June 2018 to the present he has been with The Ritz Real Estate Inc., a California corporation in which he is the sole shareholder. Since January 2017, Mr. Fahed has also been the sole shareholder in Nick Fahed Group, Inc., a California corporation which focuses on real estate investments and holdings. From 2006 to the present Mr. Fahed has been Vice President of Southland Petroleum, Inc., a California corporation which owns and operates gas stations. Mr. Fahed also owns Huntington Fuel, Inc., a California corporation and 7-Eleven, Inc. 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 distribution company, and Cedar Landmark, Inc., a company that owns and operates service station locations under various brands. If you operate at a service station 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 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 Moreno Valley Fuel Group Inc., Alder Fuel, Inc., and Dos Lagos Oil, Inc., all Beyond Food Mart® franchisees, and 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 for sale in your Beyond Food Mart®. Mr. Fahed works for us out of the Beyond Office.

Ash Sater—Vice President and Chief Technology Officer

Ash Sater became one of our Vice Presidents and our Chief Technology Officer 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 a 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. In June 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

Franchisee Application Fee

You must pay us a $1,000 franchisee application fee in a lump sum when you deliver to us the Beyond Food Mart® Franchisee Application. The franchisee application fee is fully earned when you submit the Beyond Food Mart® Franchisee Application and is not refundable.

Initial Franchise Fee

You and all single unit franchisees pay us a $30,000 initial franchise fee in a lump sum when you sign the Franchise Agreement. The initial franchise fee is fully earned when the Franchise Agreement is signed on our behalf and is not refundable. Cedar Landmark, Inc., our affiliate that owns and operates more than one Beyond Food Mart® at a time, does not pay us an initial franchise fee for the Beyond Food Marts it develops. We have agreed with an individual who through various entities he owns has developed or is developing multiple Beyond Food Mart® locations that we will waive payment of the security deposit and initial franchise fee for two Beyond Food Mart® locations owned by an entity he owns and we will defer collection of the security deposit and initial franchise fee for another Beyond Food Mart® location owned by an entity he owns. We have also deferred collection of the security deposit and initial franchise fee owed by another Beyond Food Mart® franchisee until the location is open an operating.

Security Deposit

Except as noted in the preceding paragraph, every franchisee pays us a $10,000 security deposit in a lump sum upon signing the Franchise Agreement. If you default in performance of any provision of the Franchise Agreement, including, without limitation, defaulting in the timely performance of any payment or royalty due, or any other agreement between you and us or any of our affiliates, we may use the security deposit, or any portion of it, to cure the default or to compensate us for any and all damages or expenses we incur because of your default. We may also use the security deposit to pay any late charges, interest, penalties, and fees and any costs and charges due us for performing obligations you do not perform that we are entitled to perform for you. If monies are owed to us or become due to us as a result of or on or after termination or expiration of the Franchise Agreement for any reason, we may use all of any part of the security deposit to pay those sums.

If we use any part of the security deposit before the end of the Franchise Agreement term, you must replenish it. If you are not in default in performance under the Franchise Agreement or any other agreement with us or any of our affiliates on the date the Franchise Agreement expires or is terminated for any other reason, we shall return to you within 30 days after the expiration or effective date of termination of the Franchise Agreement the remaining balance of the security deposit. If you choose to terminate your Franchise Agreement when you receive our estimate of the cost of building out and equipping the Franchise Location we will refund the security deposit you have paid us less any permitted deductions and offsets after you deliver to us the right of first refusal described in Item 7, Note 4 and sign and deliver the Franchise Termination and Covenant Survival Agreement and Release in the form we are then using for that purpose (a "Termination Agreement"). If we terminate the Franchise Agreement because you do not locate a site that meets our site selection criteria within the time period required by the Franchise Agreement, we will refund the security deposit you have paid us less any permitted deductions and offsets after you sign and deliver a Termination Agreement.

Franchise Location Furniture, Fixtures, and Equipment

Unless you purchase a turnkey location (as described in Item 6 footnote 4), 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	$2,000, commencing on the first day of the calendar month after the Opening (as defined in the Franchise Agreement) and continuing until the Franchise Location first has Gross Revenue[2] of $45,000 or more and thereafter 7% of Gross Revenue during preceding calendar month but not less than $2,000, subject to deferral as described in Note 3[3]. If the Opening does not occur on the first day of the calendar month, the monthly royalty for the first month after the Opening is prorated.	See Note 3.	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) (i) the gross selling price or barter value of all goods and services (including, without limitation, sales of tobacco products, beer, wine, alcoholic beverages, and car washes, but excluding revenue from sales of lottery tickets or petroleum fuel sales) 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, Venmo, Zelle, or similar account, cryptocurrency, charge account, credit for purchases of any kind, barter, or exchange, including (without limitation and whether or not authorized or permitted under the 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 the Franchise Agreement); (ii) charges for the use of vehicle charging stations at or on the real property where the Franchise Location is situated (the "Franchise Location Property"); and (iii) commissions collected from lottery ticket purchases, automated teller machines (including, without limitation, cryptocurrency automated teller machines), or any other machines or devices installed in or on the Franchise Location Property that generate revenue in any form or by any means that is not otherwise excluded from the definition of Gross Revenue in this section; (b) less (i) permitted refunds made to *bona fide* customers in good faith not to exceed

Type of Fee	Amount	Date Due	Remarks
Payments on loan for cost of acquiring and installing Franchise Location Financeable FFE as defined in Note 4 (except point of sale system and back office computer hardware and convenience store software)[4]	Variable based on cost of Financeable FFE for your Franchise Location, which depends partly on size and condition of the Franchise Location and partly on how much of that cost we choose to finance. 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.

$1,800 in any calendar month; (ii) amounts actually paid for sales or excise taxes that were added to the selling price of goods and collected from customers; (iii) redemption of gift cards; (iv) 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 (v) sales of assets of the Beyond Food Mart® business other than inventory sold in the ordinary course of business.

[3] We may defer imposition of royalties for up to six months by delivering written notice to you. When you begin paying royalties (the "Royalty Commencement Date"), for each full calendar month during which you (a) participate as required by the Franchise Agreement in all marketing and advertising campaigns we conduct during the calendar month 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 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 after the Royalty Commencement Date 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. If the Franchise Agreement is terminated for any reason prior to the Royalty Commencement Date, in addition to all other sums to which we are entitled under the Franchise Agreement, by law, or in equity, you shall pay us on demand an amount equal to the $2,000 minimum royalty for each calendar month commencing with the calendar month in which the Opening (as defined in the Franchise Agreement) occurred, with the royalty for the month of the Opening prorated as described above, and continuing through the date on which the term of your Franchise Agreement is terminated.

[4] Franchise Locations typically fall into one of four categories: (a) a new Beyond Food Mart® developed by the Corporation or another entity in which one or more of our shareholders may have an interest, usually on real property owned by the Corporation or another of our affiliates, that is sold or leased on the condition that the purchaser enter into a Franchise Agreement with us (a "turnkey location" or "turnkey locations"); (b) an existing convenience store that is unbranded or the branding agreement for which is expiring or expired (a "retrofit location");

(c) real property that requires construction of a new building, with or without razing an existing building, and that often does not yet have the necessary land use entitlements, some of which may be owned by the Corporation or another of our affiliates and sold on the condition that the purchaser enter into a Franchise Agreement with us ("new construction location"); or (d) 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 the seller or landlord (who will usually be one of our affiliates) will condition the transaction on your entering into a Franchise Agreement with us, and you will agree with the seller on a purchase price for the Beyond Food Mart® store assets and a purchase or lease of the real property. We will finance the portion of the turnkey location purchase price attributable to the purchase and installation of the required signs and signage and certain of the fixture and equipment (collectively, the "Financeable FFE") as described in this footnote and Item 10. If you choose to acquire a turnkey location, we will deliver a statement of the Beyond Loan Amount (as defined in the next paragraph) within 10 business days after the date we sign the Franchise Agreement.

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 (aa) constructing, building out, improving, renovating, remodeling, decorating, and/or rebranding the Franchise Location to our specifications and (bb) acquiring and installing in the Franchise Location the signs, signage, furnishings, fixtures, equipment, and other improvements you must acquire and install in the Franchise Location (collectively, the "FFE"), and the small wares we require you to have in the Franchise Location (all, collectively, the "Build Out"). Concurrently with the Estimate, we will offer to loan you as much of the cost of acquiring and installing the Financeable FFE as we are willing to finance (the "Beyond Loan Amount"). (The Financeable FFE will not include the front counter point of sale equipment because you will acquire it directly from the vendor or the back office computer system that you must provide.)

After we tell you the Beyond Loan Amount you will 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 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 Deed of Trust Rider for Third Party Securing Secured Revolving Promissory Note, a recordable Memorandum of Franchisor's Rights, 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 all the owners of any secured real property if you do not own it, all as described in Item 10 (all, collectively, the Loan Documents). 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

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 suppliers within five days after that amount is due, we may terminate the Franchise Agreement. We may choose in our complete discretion based on our own subjective judgment to defer recordation of the DOT and filing of a UCC Financing Statement and/or having you sign and deliver the Loan Documents until after you obtain a bank or other loan for purchase of the Franchise Location real property or if the development, buildout, and/or the improvement of your Beyond Food Mart® at the Franchise Location will be delayed by the need to subdivide the property and/or obtain permits, entitlements or similar governmental approvals and your need for financing is therefore also deferred. If signing is deferred, you will sign the Loan Documents at or near the end of that deferral period, when the cost of your development of the Franchise Location has been determined.

[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 and we do currently require you to purchase certain of our private label goods from a specified distributor.

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.
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.

Type of Fee	Amount	Date Due	Remarks
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.
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.

Type of Fee	Amount	Date Due	Remarks
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.
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 and other sums 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.

Type of Fee	Amount	Date Due	Remarks
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.
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 franchise transfer fee that will be refunded if we do not approve the transfer, but we may increase these fees 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 existing owners of the franchisee entity).
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.

[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.

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.

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
Franchisee Application Fee		$1,000	Lump sum	When you deliver the Beyond Food Mart® Franchisee Application	Us
Initial franchise fee		$30,000	Lump sum	When you sign the Franchise Agreement	Us
Franchise Agreement Security Deposit		$10,000	Lump sum	When you sign the Franchise Agreement	Us
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 convenience store 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.

Type of Expenditure	Amount	Method of Payment	When Due[1]	To Whom Payment Is To Be Made
Utility deposits	$500 to $6,000	Lump sum	When account opened	Utility companies
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

Total	Turnkey	Own	$549,670 to $1,843,670
		Purchase	$749,670 to $5,843,670
		Lease	$565,670 to $1,871,670
	Conversion	Own	$349,670 to $993,670
		Purchase	$549,670 to $4,993,670
		Lease	$365,670 to $1,021,670

Type of Expenditure		Amount	Method of Payment	When Due[1]	To Whom Payment Is To Be Made
	New Construction	Own	$649,670 to $1,843,670		
		Purchase	$849,670 to $5,843,670		
		Lease	$665,670 to $1,871,670		
	Vanilla Shell	Own	$349,670 to $993,670		
		Purchase	$549,670 to $4,993,670		
		Lease	$365,670 to $1,021,670		

[1] Except for making the Beyond Loan described in Note 4 below and in Item 10, we do not finance any fee or payment. None of these payments is refundable except, after you sign and deliver a Termination Agreement, we will refund any balance of the security deposit remaining after permitted deductions and offsets after termination or expiration of the Franchise Agreement.

[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. If you lease the Franchise Location, you and the landlord must sign our standard form of Lease Addendum, to which landlords sometimes require certain revisions.

[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 the FFE (as defined in Item 6, Note 4 above) 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 asset purchase price but we will offer to finance a portion of the total cost attributable to the Financeable FFE as described in Item 6, Note 4 above and Item 10.

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 a recordable Memorandum of Franchisor's Rights in Franchise Location Property and Lease (the "Memorandum of Franchisor's Rights"), 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 three years 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, with a Rider to Deed of Trust (collectively, the "DOT"), for real property as described in Item 10; personal guaranties from you or 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 recordable Memorandum of Franchisor's Rights; and a Lender's Consent to Further Encumbrance, Leasehold Assignment(s), and Fixture Waiver and Nondisturbance Agreement (the "Lender's Consent") 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 a portion of the cost of the acquisition of a turnkey location that is attributable to acquisition of the Financeable FFE on the same terms and conditions as those described above for the Beyond Loan, as also 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.

The Beyond Loan Amount does not include the cost of acquiring and installing the (a) advertising display systems, that we pay for and own and are given the right to install in places 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), (b) back office computer hardware system we purchase and install in the back office of your Franchise Location and continue to own, (c) convenience store software for which we pay the initial license fee, own the license, and install on your back office computer hardware system and that you must use and for which you will pay the monthly license maintenance fees, or (d) 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 and own.

[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 the preceding paragraph and 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 convenience store 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, the convenience store software, 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. We pay the initial license fee for the convenience store software but you will pay the designated supplier a monthly maintenance fee for it; you will pay 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. We will reimburse you $2,500 of the money you spend for grand opening purposes as required by the Franchise Agreement after you send us paid receipts for all the expenditures.

[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 Brand 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.

FFE, Small Wares, Computer, and Point of Sale System

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

You must use in your Beyond Food Mart® a back office computer hardware system we own. You must use on that computer system the convenience store software system we designate. The convenience store software 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 but you will pay the monthly maintenance fee directly to the licensor.

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 convenience store 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 acquire or require you to acquire, install, and use in your Beyond Food Mart® any software or other technological tools we designate.

We may at any time access the back office computer system hardware and/or software, your POS System, any other electronic equipment or devices we require you to install and use in your Beyond Food Mart®, and all of the software and data on any of them. All of the data produced by or on the back office computer system, the convenience store software, 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 the 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. Starting on the date you begin paying royalties and continuing so long as you have performed each and all of your obligations under the Franchise Agreement or until it expires or is terminated, whichever comes first, 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 $100 for advertising media displays located in or on your Beyond Food Mart® and $50 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 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. You must carry hired and non-owned automobile liability insurance and, if you own or operate a vehicle used primarily for or registered in your name, you must also carry commercial automobile liability insurance. If you carry beer, wine, or other alcoholic beverages, you must also carry dramshop insurance. If you operate a car wash at your Franchise Location, you must carry car wash liability insurance including coverage for damage to customers' vehicles.

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 Distributorship

If your Beyond Food Mart® is connected to a service station 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 petroleum brand we designate and purchase all of your petroleum from our designated affiliate.

Right of First Refusal for Franchised Business, Franchise Location, and Franchisee Entity and Right to Assume Lease

In addition to the right granted us to purchase or lease a proposed Franchise Location site if you exercise the right to terminate the Franchise Agreement as described in Item 7, footnote 4, you must grant us a right of first refusal we can exercise if you propose to assign, sell, transfer, or otherwise dispose, with or without consideration, of all or any portion of your interest in your Franchise Agreement or the Franchised Business; if you or any of your affiliates owns the Franchise Location real property and/or improvements and proposes to sell, transfer, or otherwise dispose of all or any part of any of them with or without consideration; or, if the franchisee is an entity, and you propose to assign, sell, transfer, or otherwise dispose, with or without consideration, of any interest in the entity. Our right is exercisable at the price, if any, and on the terms on which you intend to sell for 30 days from the date you deliver to us notice of the proposed disposition. When you sign the Franchise Agreement you must deliver to us a Memorandum of Franchisor's Rights describing the rights we have and we may record that Memorandum at any time.

If you lease the Franchise Location, the landlord must grant us or our nominee the option to assume the Lease (a) if we and you agree to terminate the Franchise Agreement for any reason, (b) at any time when you are in default under the Franchise Agreement, (c) if you and the landlord agree to terminate the Lease for any reason other than as a result of the landlord's

exercise of its sole right to terminate because of damage to or destruction of the Franchise Location premises or the property where it is located or a taking of that property by eminent domain, (d) at any time when you are in default under the Lease (in which case the landlord must refrain from terminating the Lease for the period we have to exercise the option), or (e) if you have not exercised an option to renew or extend the Lease within the time provided in the Lease (in which case the time to exercise the renewal or extension option must be extended to allow us or our nominee to exercise the option), all notwithstanding any conditions to assumption set forth in the Lease and without fulfilling any of the requirements or conditions of the Lease except as provided in the Lease Addendum to the Franchise Agreement.

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®.

We have negotiated agreements with our designated distributor and our designated beverage supplier to give rebates to us and our franchisees based on purchases by the 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.

In our fiscal year ending December 31, 2022, $35,138.56 of our total revenue was derived from Hostess Brands LLC and Pepsi Bottling Group LLC rebates earned from franchisee purchases and the display of promotional material in franchised locations. That was 4.9% of our total revenue of $716,284.

Cedar Oil International, Inc., our affiliate from whom franchisees that operate at a service station and do not have an existing dealership agreement with another petroleum retailer or have a dealership agreement that expires during the term of the Franchise Agreement with us must purchase petroleum, had revenue of $50,877.263 related to those purchases in 2021.

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 promotional allowances on particular products you purchase from a supplier who offers them (as PepsiCo does periodically) directly from a supplier, 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.

Procedures for Supplier Approval

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 14.10; 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 14.8 and 16.2	Item 11
k. Territorial development and sales quotas	Section 1.2	Item 12
l. Ongoing product/service purchases	Article 10	Item 8
m. Maintenance, appearance and remodeling requirements	Article 11; Sections 5.3, 5.4, and 14.9	Item 11
n. Insurance	Article 17	Items 7 and 8

Obligation	Sections in the Franchise Agreement	Franchise Disclosure Document Item
o. Advertising	Article 14	Items 7, 8, and 11
p. Indemnification	Article 18 and Section 1.4E	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	Item 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 (a) not to compete, (b) assuming and agreeing to perform all of the franchisee's obligations under the Franchise Agreement, and (c) 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, 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), tell you the Beyond Loan Amount (as defined in Item 6, Note 4) but that will not be more than $650,000 and may be less than that and less than the cost of acquiring and installing the Financeable FFE (as defined in Item 6, Note 4). If you are purchasing a turnkey location, we will tell you the Beyond Loan Amount but that will not be more than $650,000 and may be less than that and less than the cost of acquiring the Financeable FFE. The interest rate on the Beyond 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) 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 that is owned by you or your affiliate that is the guarantor of 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) recordable Memorandum of Franchisor's Rights, (iv) Lender's Consent 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. We may choose to defer recordation of the DOT and filing of a UCC Financing Statement and/or having you sign and deliver the Loan Documents until after you obtain a bank or other loan for purchase of the Franchise Location real property or if development, buildout, and/or the improvement of your Beyond Food Mart® at the Franchise Location will be delayed by the need to subdivide the property and/or obtain permits, entitlements or similar governmental approvals and your need for financing is therefore also deferred. If signing is deferred, you will sign the Memorandum of Franchisor's Rights when you sign the Franchise Agreement but will not sign any of the other Loan Documents until at or near the end of that deferral period, when the cost of your development of the Franchise Location has been determined.

We are listed on the Small Business Administration ("SBA") Franchise Directory. If you obtain an SBA guaranteed loan, after the loan is approved and ready to fund, we will append SBA Form 2062, the Franchise Agreement Addendum, to the Franchise Agreement. That Addendum will amend the provisions of the Franchise Agreement and the Loan Documents pertaining to transfer of the Franchised Business, required sale of the assets of the Franchised Business, and restrictions on use of the Franchise Location real property.

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). Because we may purchase some of those goods in bulk and store them in a warehouse before we begin contemplating the Build Out of any particular location, the Estimate and your Promissory Note may include expenses we incurred before the date of your Promissory Note. If for any reason, whether or not foreseen, the Build Out cost exceeds the Beyond Loan Amount or 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 Beyond Loan Amount or 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. It includes waivers of notice, presentment, and demand and a waiver of jury trial. On the business day after the last day of each 365 day period after the Term Commencement Date (as defined in the Franchise Agreement) (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 nondisclosure 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 69 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 nondisclosure 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. After you begin paying royalties, 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 a Termination Agreement.

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; whether the site you select requires governmental entitlements such as subdivision, rezoning, or permitting; 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 are not required to and we do not presently conduct any System-wide advertising for Beyond Food Marts. But we may voluntarily conduct some advertising to promote the Beyond Food Mart® brand in general. If we voluntarily conduct any System-wide advertising, we will select the media we use for that advertising and it may include print, radio, television, electronic, or social media. We also 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 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)

Within 120 days after you open your Beyond Food Mart® you must have a grand opening campaign on which you spend at least $5,000 for purposes we approve. We may require you to give away promotional items as part of that campaign. After you send us paid receipts for all your grand opening expenditures, we will reimburse you $2,500 of the money you spend for grand opening purposes as required by the Franchise Agreement. (Franchise Agreement, Section 9.2).

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, TikTok, 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, all of which 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

When your trainees begin training for the operation of your Beyond Food Mart®, we will give you hard copy and electronic access to the Beyond Manual through the franchisee only section of our Website, using a unique username and password and continue you to permit you to access

the Beyond Manual 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 up to three people who will manage the operation of your Beyond Food Mart®, 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 nondisclosure 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 nondisclosure 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.

Training on the use of the SSCS C-Store software is provided by SSCS, Inc. The balance of the training is conducted by one or more of our instructors. 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
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. You may face competition from other franchisees, from outlets we or the Corporation own, or from other channels of distribution or competitive brands we control. 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®. 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
	4947368	April 26, 2016
	6855701	September 27, 2022
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 the 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®.

One of two Beyond Food Marts the LLC 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 breached that Franchise Agreement. The lawsuit we filed in March 2018 and the subsequent settlement that resulted in terminating 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. (Franchise Agreement, Section 1.4E)

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 nondisclosure 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 5.1C, 25(a), 25(b), 25(c), 25(d), 25(g), 25(j), 25(k), 25(n), 25(o), 25(s), 25(t), 25(u), 25(v), 25(w), and 25(x)	Not delivering payment to Contractor or supplier within 5 days after payment is required; not curing within 3 days after notice any failure to adhere to standards, rules, and procedures, trade identity use requirements, or inventory 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, comply with law, pay taxes; failure to replace insurance that will be cancelled no less than 5 days before cancellation; failure to obtain release of writ within 5 days after levy; 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 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 time permitted any default under any agreement between any entity or business owned or partially owned by you or any of Your Interested Parties and us, any of our affiliates, or any third party related to your Beyond Food Mart® business; failure to cure within 10 days after notice any default in performance under your Franchise Agreement not mentioned previously or in item (h) below.

h. "Cause" defined — non-curable defaults	Sections 4.1A, 4.3B, 5.3A, 5.3C, 5.7, 6.2, 9.1, 25(e), 25(f), 25(h), 25(i), 25(l), 25(m), 25(p), 25(q), 25(r), 25(v), 25(y), 25(z), and 25(aa)	(All capitalized terms not otherwise defined have the meaning given them in the Franchise Agreement.) Failure to obtain a Franchise Location that fulfills our basic site selection criteria within 90 days after the Effective Date, lease a suitable location within 150 days after the Effective Date, deliver Plans and Specifications within 60 days after signing a Lease and delivering Loan Documents; complete Build Out within 180 days after the last of the Building Permits is issued, obtain all permits, licenses, and registrations required by Applicable Laws within five days after the Completion Date, stock your Beyond Food Mart® with Inventory within five business days after the Completion Date, or open the Franchise Location for business within 10 business days after the Completion Date; 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 Approved Principal oversee or your Approved 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

Provision	Section in the Franchise Agreement	Summary
		more than 10 occasions throughout the term; are the subject of six customer complaints in any calendar month or more than 15 customer complaints in any 12 month period; 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; cease to have the right to occupy the Franchise Location.

Provision	Section in the Franchise Agreement	Summary
i. Your obligations on termination/ non-renewal	Articles 26 and 27	Subject to any limitations imposed by any SBA Addendum, 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 Article 27 of the Franchise Agreement. If you own the Franchise Location real property, and any petroleum company has a right to purchase or lease the real property, you must provide us with the notice you give the petroleum company and if the petroleum company does not exercise its right to purchase or lease the real property you must give us 15 days to exercise the right to purchase or lease the real property on the same terms granted to the petroleum company. 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 of 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; 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 except that transfer to a trust is prohibited.

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 nonrefundable transfer application fee and a transfer fee that is refundable if proposed transfer is not completed solely because we do not approve of the proposed transferee; 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 and deliver a Termination Agreement unless law prohibits; you transfer all the agreements related to your Beyond Food Mart® and all of its assets to the transferee. 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	Subject to any limitations imposed by an SBA Addendum, 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.

Provision	Section in the Franchise Agreement	Summary
o. Our option to purchase your business	Sections 27.1(B) and 27.1(C)	Subject to any limitations imposed by an SBA Addendum, on termination or expiration, we may purchase all or any part of the physical assets of your Beyond Food Mart® including (without limitation) the real property.
p. Your death or disability or owner deadlock	Article 23	Subject to any limitations imposed by an SBA Addendum, 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	
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.

Provision	Section in the Franchise Agreement	Summary
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. Naser Abdallat, 4300 Edison Avenue, Chino, CA 91710, telephone (951) 756-2909, 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 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	2	5	+3
	2021	5	5	0
	2022	5	9	+4
Company-Owned*	2020	2	2	0
	2021	2	1 (Note 1)	-1
	2022	1	1	0
Total Outlets	2020	4	7	+3
	2021	7	6	-1
	2022	6	10	+4

Notes

(1) One of these locations temporarily closed in 2020 because it was in an office building that had a dearth of business as a result of the City of Los Angeles's Safer at Home emergency declaration related to the COVID 19 pandemic. The protracted COVID 19 pandemic emergency declaration made the temporary closure last too long for the location to survive so the lease was terminated and the location permanently closed November 25, 2021.

*Owned and operated by the Corporation.

Table No. 2
Transfers of United States Outlets from Franchisees to New Owners (other than the Franchisor)
For Fiscal Years 2020 to 2022

State	Year	Number of Transfers
AZ	2020	0
	2021	0
	2022	0
CA	2020	2 (Note 1)
	2021	1
	2022	0
Total	2020	2
	2021	1
	2022	0

Notes

(1) In 2020, these two franchisees, entities owned by Mark Sater and Nick Fahed, assigned their interests in the Franchise Agreements to other entities owned by Mark Sater, Nick Fahed, and a third individual.

Table No. 3
Status of United States Franchised Outlets
For Fiscal Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Nonre-newals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AZ	2020	0	1 (Note 1)	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
CA	2020	2	2 (Note 2)	0	0	0	0	4
	2021	4	1	1	0	0	0	4
	2022	4	4	0	0	0	0	8
Totals	2020	2	3	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	4	0	0	0	0	9

Notes

(1) When the former franchisee (our affiliate CLI) sold the real property where the Franchise Location was situated and the assets of the convenience store, the Beyond Food Mart® branding was removed until we were again registered to offer and sell franchises and could enter into a Franchise Agreement with the purchaser. The purchaser signed a Franchise Agreement in 2019 but the rebranding took another year to complete and the location did not reopen as a Beyond Food Mart® until 2020.

(2) This location was opened in December of 2019 but closed three days later due to a problem with a gas pump at the Franchise Location property that needed to be repaired. Because of the prolonged closure, we have agreed with the franchisee that the term commencement date will be February 2020.

Table No. 4
Status of Company-Owned Outlets in the United States
For Fiscal Years 2020 to 2022

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	2020	2	0	0	0	0	2
	2021	2	0	0	1 (Note 1)	0	1
	2022	1	0	0	0	0	1
Totals	2020	2	0	0	0	0	2
	2021	2	0	0	1	0	1
	2022	1	0	0	0	0	1

Notes

(1) This location temporarily closed in 2020 because it was in an office building that had a dearth of business as a result of the City of Los Angeles's Safer at Home emergency declaration related to the COVID 19 pandemic. The protracted COVID 19 pandemic emergency declaration made the temporary closure last too long for the location to survive so the lease was terminated and the location permanently closed November 25, 2021.

Table No. 5
Projected Openings in the United States as of December 31, 2022

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	7	1	0
Total	7 (Note 1)	1	0

Notes

(1) During 2019, three prospective franchisees signed Franchise Agreements but not any of the other documents necessary to become a Beyond Food Mart® franchisee and neither the Franchise Agreement nor any of the other documents were signed on our behalf. Since then, one of those prospective franchisees signed a complete set of documents and, as described in Note 1 of Table No. 3 above, opened the franchise location in 2020; another of those prospective franchisees sold the service station where the prospective franchise was to be located before a complete set of documents was signed and chose not to identify or develop a new location; another of the prospective franchisees whose owner operates three other Beyond Food Mart® locations decided not to retain ownership of the real property and instead sold the real property to an entity owned by Mark Sater and Nick Fahed who intend to lease the property to BFMI to be developed as a company store in the future.

As of December 31, 2022 our franchisees with open outlets were:

Franchisee	Facility Location
3 Great Brothers Inc, a California corporation (Note 1)	14992 Dale Evans Parkway Apple Valley, CA 92307 (760) 503-5481
Alder Fuel, Inc., a California corporation (Note 2)	1944 North Alder Avenue Rialto, CA 92377 (804) 799-6020
AZ Oasis Gas Station, Inc., a California corporation	1626 Highway 95 Bullhead City, AZ 86442 (928) 763-1217
Aziz, LLC, a California limited liability company (Note 1)	12697 Main Street Hesperia, CA 92345 (760) 947-0013
Aziz, LLC, a California limited liability company	15260 Nisqualli Road Victorville, CA 92395 (858) 729-3414
Dos Lagos Oil, Inc., a California corporation (Note 3)	4688 Temescal Canyon Road Corona, CA 92883 (951) 638-5428
GTA Mojave, Inc., a California corporation	15290 Mojave Drive Victorville, CA 92395 (619) 820-3126
Moreno Valley Fuel Group Inc., a California corporation (Note 3)	12970 Day Street Riverside, CA 92507 (909) 653-9339
New Limits Oil, Inc., a California corporation	906 South Riverside Drive Rialto, CA 92316 (951) 232-6521
Notes (1) These franchisee entities are owned by the same person. (2) This entity is owned by Mark Sater and Nick Fahed. (3) These two entities are owned by Mark Sater, Nick Fahed, and a third individual.	

As of December 31, 2022 we had seven franchisees that had signed Franchise Agreements but had not opened the franchised locations. Those franchisees and locations are:

Franchisee	Unopened Franchised Location
2240 Compton Inc, a California corporation	2240 Compton Ave Corona, CA 92881 Telephone number not yet assigned

Franchisee	Unopened Franchised Location
BOA Menifee LLC, a California limited liability company	Facility to be located in Menifee, California with APN 330-180-045 but address and telephone number not yet assigned
DHANLAXMIBAA LLC, a California limited liability company	Facility to be located in Rialto, California with APN 0258-131-036 but address and telephone number not yet assigned
Harley Knox Market and Fuel LLC, a California limited liability company	4400 North Perris Boulevard, Perris, CA 92571 Telephone number not yet assigned
Janin Gas, Inc., a California corporation	835 E. Nuevo Road Perris, CA 92571 Telephone number not yet assigned
JSSG LLC, a California limited liability company	Facility to be located in Livingston, California with APN 023-060-002-000 but address and telephone number not yet assigned
Tabel Center, LLC, a California limited liability company	1151 E. 6th Street Beaumont, CA 92223 Telephone number not yet assigned

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.

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, 2022, December 31, 2021, and December 31, 2020 and the related statements of income, retained earnings and cash flows for the periods ending December 31, 2022, December 31, 2021, and December 31, 2020 and our unaudited balance sheet at September 30, 2023 and the related statement of income, retained earnings and cash flows for the period ending September 30, 2023.

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 and Rider to Deed of Trust
Exhibit H	Memorandum of Franchisor's Rights in Franchise Location Property and Lease
Exhibit I	Lender's Consent to Further Encumbrance, Leasehold Assignment(s), and Fixture Waiver and Nondisturbance Agreement
Exhibit J	Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment
Exhibit K	Consent of Spouse/Domestic Partner
Exhibit L	Franchise Termination and Covenant Survival Agreement and Release
Exhibit M	Franchisee Information
Exhibit N	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
EXHIBIT A

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 Financial Protection and Innovation 320 W. 4th Street, Suite 750 Los Angeles, CA 90013 (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
Hawaii	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, HI 96813
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
Indiana	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Department of Financial Institutions 500 Mero Street Mayo-Underwood Building Frankfort, KY 40601 (502) 573-3390	Office of the Secretary of State 700 Capital Ave., Suite 86 Frankfort, KY 40601

State	State Administrator	Agent for Service of Process
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	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 (517) 335-7567	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 (517) 335-7567
Minnesota	Minnesota Department of Commerce 85 East 7th Place, Suite 280 St. Paul, MN 55101 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 East 7th Place, Suite 280 St. Paul, MN 55101
New York	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
North Dakota	North Dakota Securities Department State Capitol 600 East Boulevard Department 414 State Capitol, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner State Capitol 600 East Boulevard Department 414 State Capitol, 5th Floor Bismarck, ND 58505-0510
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

State	State Administrator	Agent for Service of Process
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 (401) 462-9527	Director, Department of Business Regulation 1511 Pontiac Avenue Cranston, RI 02920
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, SD 57501 (605) 773-3563	Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, SD 57501
Virginia	Commonwealth of Virginia State Corporation Commission Division of Securities & Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Virginia State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
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
Wisconsin	Division of Securities 4822 Madison Yards, North Tower Madison, WI 53705 (608) 266-2139	Division of Securities 4822 Madison Yards, North Tower Madison, WI 53705

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FINANCIAL STATEMENTS

FINANCIAL STATEMENTS
EXHIBIT C

BEYOND FRANCHISING INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022, 2021 AND 2020

ALBERT & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT

AN ACCOUNTANCY CORPORATION

BEYOND FRANCHISING INC.
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DECEMBER 31, 2022, 2021 AND 2020

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ALBERT & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT

AN ACCOUNTANCY CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Stockholders and Board of Directors of
Beyond Franchising Inc.

Opinion

We have audited the financial statements of Beyond Franchising Inc., which comprise the balance sheets as of December 31, 2022, 2021 and 2020, and the related statements of operations, stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beyond Franchising Inc. as of December 31, 2022, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Beyond Franchising Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Beyond Franchising Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement

when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Beyond Franchising Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Beyond Franchising Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Albert & Associates

Laguna Niguel, California
December 27, 2023

BEYOND FRANCHISING INC.
BALANCE SHEETS
DECEMBER 31, 2022, 2021 AND 2020

ASSETS

	December 31,		
	2022	2021	2020
CURRENT ASSETS			
Accounts receivable, net of allowance for doubtful accounts of $5,000, $5,000 and $10,620, respectively	$ 105,417	$ 22,756	$ 10,193
Prepaid expenses	19,012	19,173	16,832
Current portion of notes receivable, franchisees	86,685	83,342	30,133
Loans receivable, related parties	129,158	126,635	122,653
Total current assets	340,272	251,906	179,811
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	81,866	72,597	38,295
OTHER ASSETS			
Notes receivable, franchisees, net of current portion	1,345,678	1,358,827	437,659
In-progress costs for locations in development	3,609,610	1,900,002	1,124,418
Total other assets	4,955,288	3,258,829	1,562,077
TOTAL ASSETS	$ 5,377,426	$ 3,583,332	$ 1,780,183

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES			
Cash overdraft	$ 23,132	$ 27,858	$ 62
Accounts payable	527,690	505,755	84,244
Security deposit liability	25,000	25,000	25,000
Deferred franchise fee revenue	30,000	90,000	30,000
Total current liabilities	605,822	648,613	139,306
LONG-TERM LIABILITIES			
Deferred franchise fee revenue, net of current portion	90,000	30,000	90,000
Notes payable, related parties	5,223,286	3,429,124	2,438,547
Notes payable, stockholders	284,462	274,843	265,517
Total long-term liabilities	5,597,748	3,733,967	2,794,064
TOTAL LIABILITIES	6,203,570	4,382,580	2,933,370
STOCKHOLDERS' EQUITY			
Common stock: 100,000 shares authorized, 20,000 shares issued and outstanding	200,000	200,000	200,000
Accumulated deficit	(1,026,144)	(999,248)	(1,353,187)
Total stockholders' equity	(826,144)	(799,248)	(1,153,187)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 5,377,426	$ 3,583,332	$ 1,780,183

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

BEYOND FRANCHISING INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	2022	2021	2020
REVENUE			
Initial franchise fees	$ 60,000	$ 30,000	$ -
Royalties	621,145	429,724	172,001
Miscellaneous	35,139	77,284	11,880
Total revenue	716,284	537,008	183,881
OPERATING EXPENSES			
Advertising and promotion	131,064	9,854	8,994
Bad debt expense (recovery)	-	5,000	(103,497)
Bank charges	2,458	2,482	3,089
Charitable contributions	17,400	2,400	12,600
Depreciation	29,606	17,946	14,119
Insurance	16,788	11,960	10,955
Legal and professional fees	140,972	191,901	122,816
Licensing fees	78,666	54,357	21,891
Office expense	11,308	4,275	1,704
Payroll tax expense	-	-	4,965
Repairs and maintenance	-	1,674	9,790
Salaries	-	-	55,831
Supplies expense	30,155	12,519	15,723
Technology	9,870	75,754	13,759
Travel, meals and entertainment	10,850	2,988	-
Vehicle expense	19,326	16,322	5,878
Total operating expenses	498,463	409,432	198,617
INCOME (LOSS) FROM OPERATIONS	217,821	127,576	(14,736)
OTHER INCOME (EXPENSE)			
Proceeds from franchise termination	-	400,000	-
Improvement loan forgiveness expense	(206,936)	(212,395)	(52,329)
Interest income	120,474	133,484	25,680
Interest expense	(157,455)	(93,926)	(72,667)
Total other income (expense)	(243,917)	227,163	(99,316)
NET INCOME (LOSS) BEFORE INCOME TAXES	(26,096)	354,739	(114,052)
Provision for income taxes	800	800	800
NET INCOME (LOSS)	$ (26,896)	$ 353,939	$ (114,852)

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

BEYOND FRANCHISING INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	Common Stock		Accumulated	
	Shares	Amount	Deficit	Total
BALANCE AT JANUARY 1, 2020	20,000	$ 200,000	$ (1,238,335)	$ (1,038,335)
Net loss			(114,852)	(114,852)
BALANCE AT DECEMBER 31, 2020	20,000	200,000	(1,353,187)	(1,153,187)
Net income			353,939	353,939
BALANCE AT DECEMBER 31, 2021	20,000	200,000	(999,248)	(799,248)
Net loss			(26,896)	(26,896)
BALANCE AT DECEMBER 31, 2022	20,000	$ 200,000	$ (1,026,144)	$ (826,144)

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

BEYOND FRANCHISING INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	$ (26,896)	$ 353,939	$ (114,852)
Adjustments to reconcile net income (loss)			
to net cash used in operating activities:			
Bad debts	-	5,000	(103,497)
Depreciation	29,606	17,946	14,119
Decrease (increase) in operating assets:			
Receivables	(72,855)	(56,664)	125,124
Prepaid expenses	161	(2,341)	(16,832)
In-progress costs for locations in development	(1,709,608)	(1,710,860)	(1,202,425)
Increase (decrease) in operating liabilities:			
Cash overdraft	(4,726)	27,796	(2,233)
Accounts payable	21,935	421,511	62,681
Security deposit liability	-	-	10,000
Deferred franchise fee revenue	-	-	30,000
Total adjustments	(1,735,487)	(1,297,612)	(1,083,063)
Net cash used in operating activities	(1,762,383)	(943,673)	(1,197,915)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment	(38,875)	(52,248)	(6,843)
Decrease (increase) in loans receivable, related parties	(2,523)	(3,982)	75,840
Net cash provided by (used in) investing activities	(41,398)	(56,230)	68,997
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from notes payable, related parties	1,794,162	990,577	1,094,183
Proceeds from notes payable, stockholders	9,619	9,326	34,735
Net cash provided by financing activities	1,803,781	999,903	1,128,918
Net increase (decrease) in cash	-	-	-
Cash at beginning of year	-	-	-
CASH AT END OF YEAR	$ -	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for income taxes	$ 800	$ 800	$ 800
Cash paid for interest	$ -	$ -	$ -
NONCASH INVESTING AND FINANCING ACTIVITIES:			
Conversion of in-progress costs to notes receivable, franchisees	$ -	$ 935,276	$ 250,470
Bad debt write-off of accounts receivable	$ -	$ 10,620	$ 89,384

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

Note 1 – Nature of Business

Beyond Franchising Inc. ("the Company") is a corporation formed on July 8, 2016 in the state of California. The Company's principal operations are the franchising and administration of Beyond Food Mart® convenience stores. Beyond Food Mart® stores are generally located in motor fuel facilities or other retail locations and sell an extensive variety of products and services.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Cash

For purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash.

Accounts Receivable

Accounts receivable are stated at the amount the Company expects to collect from outstanding balances. The Company provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts was $5,000, $5,000 and $10,620, respectively, as of December 31, 2022, 2021 and 2020.

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition. The Company follows the policy of capitalizing expenditures that materially increase asset lives and charging ordinary repairs and maintenance to operations as incurred. Upon retirement or other disposition of assets, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in operations.

Depreciation is computed using the straight-line method over the estimated useful lives, generally five years, of the assets. Depreciation expense for the years ended December 31, 2022, 2021 and 2020, respectively, was $29,606, $17,946 and $14,119.

Note 2 – Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

Property and equipment at December 31, 2022, 2021 and 2020 consist of the following:

	2022	2021	2020
Computers and software	$ 106,225	$ 67,350	$ 50,590
Equipment	61,771	61,771	26,283
Accumulated depreciation	(86,130)	(56,524)	(38,578)
	$ 81,866	$ 72,597	$ 38,295

Revenue Recognition

The Company receives revenue from the sale of franchises and from royalties based on a percentage of franchisee sales, currently a minimum monthly royalty of $2,000 until the franchise location has gross monthly revenue of $45,000 or more and thereafter 7% of gross revenue during the preceding calendar month, but never less than $2,000. Royalty income is recognized as franchisee sales occur. Royalties commence on the first day of the calendar month after opening. The Company may defer imposition of royalties for up to six months at its discretion. If the Company defers imposition of royalties and then terminates the franchise agreement because the franchisee defaults in performance under the franchise agreement, the minimum monthly royalty will be owed for each calendar month commencing with the calendar month in which the opening occurred and continuing through the date on which the term of the franchise agreement is terminated. 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 years ended December 31, 2022, 2021 and 2020 has been reduced by rebates of $165,514, $113,845 and $46,909, respectively, granted to franchisees.

The Company recognizes initial franchise fees as the Company satisfies its performance obligations under the franchise agreement (as further described in Note 7) and the convenience store approaches its opening date. The initial franchise fees associated with stores where the Company has not substantially performed its obligations relating to the sale are recorded as deferred franchise fee revenue on the balance sheet.

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.

Note 2 – Summary of Significant Accounting Policies (continued)

Income Taxes

The Company has adopted the provisions of FASB ASC 740, *Income Taxes*, which prescribe when to recognize and how to measure the financial statement effects, if any, of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, if it were more than 50% probable that a material amount of income tax would be imposed at the entity level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying balance sheet along with any interest and penalties that would result from that assessment. The Company does not believe there are any material uncertain tax positions and, accordingly, did not recognize any liability for unrecognized tax benefits. Further, no material amounts of interest or penalties have been accrued or charged to expense as of December 31, 2022, 2021 or 2020 or for the years then ended. Should any such penalties or interest be incurred, the Company's policy would be to recognize penalties as an operating expense and interest as other expense.

The Company's tax returns are subject to examination by federal and state taxing authorities, generally for a period of three years.

Advertising Costs

Advertising costs, which are included in operating expenses, are expensed as incurred. Advertising expense for the years ended December 31, 2022, 2021 and 2020 was $131,064, $9,854 and $8,994, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain items in the financial statements for the prior years have been reclassified to conform to the current year presentation. Such reclassification had no effect on net income or loss for the prior years.

Note 2 – Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Pronouncements

In January 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-02, *Franchisors–Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient* in order to simplify the application of FASB Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* as it applies to initial franchise fees paid by a franchisee to a franchisor. The amendments in ASU 2021-02 provide a practical expedient that permits franchisors that are not public business entities to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the ASU. Additionally, amendments in ASU 2021-02 provide an accounting policy election to recognize the pre-opening services as a single performance obligation. The Company has elected to use the practical expedient provided by the amendments in ASU 2021-02 to account for its pre-opening services (as further described in Note 7) as distinct from the franchise license. The Company has also made a policy election to recognize pre-opening services as a single performance obligation.

Subsequent Events

Management has evaluated subsequent events through December 27, 2023, the date the financial statements were available to be issued.

Note 3 – 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. Licensing fees for the years ended December 31, 2022, 2021 and 2020 were $78,666, $54,357 and $21,891, respectively.

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 5, 2017, and assigned its interest in the other two franchises to the Company effective January 5, 2017 and June 7, 2017, respectively.

Note 3 – Related Party Transactions (continued)

Beyond International, LLC (continued)

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 were not exempt. Three of the assigned franchise agreements have since been terminated and the locations were closed in 2018, 2019 and 2021.

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, 2022, 2021 and 2020, the Company has a revolving note payable to BI totaling $874,156, $804,041 and $846,292, respectively, including interest at 3.5% per annum. The note matured on August 31, 2023. Subsequent to year-end, the note maturity was extended to August 31, 2030. Interest expense related to this note was $27,573, $27,772 and $28,415 for the years ended December 31, 2022, 2021 and 2020, respectively.

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. As of December 31, 2022, 2021 and 2020, respectively, BFMI operated one, one and two Beyond Food Mart locations. One location was closed in 2020 as a result of the COVID-19 pandemic and was permanently terminated in 2021.

BFMI and the Company have paid certain costs and expenses on each other's behalf. At December 31, 2022, 2021 and 2020, the Company has a loan receivable from BFMI totaling $118,139, $115,989 and $112,373, respectively. The loan is non-interest-bearing and is due on demand.

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).

Note 3 – Related Party Transactions (continued)

Alrahaman, LLC (continued)

AL and the Company have paid certain costs and expenses on each other's behalf and have made loans to each other. At December 31, 2022, 2021 and 2020, the Company has a revolving note payable to AL totaling $2,781,133, $1,230,404 and $215,451, respectively, including interest at 3.5% per annum. The note matures on August 31, 2024. Interest expense related to this note was $68,024, $8,953 and $16,671 for the years ended December 31, 2022, 2021 and 2020, respectively.

Cat City Oil, Inc.

During 2020, Cat City Oil, Inc. ("CCO") owned and operated a gas station and convenience store. CCO and the Company have paid certain costs and expenses on each other's behalf and have made loans to each other. In June 2020, CCO was sold to an entity that shares common ownership with two entities that are currently franchisees of the Company. The outstanding balance of the Company's revolving note payable was transferred to one of the Company's stockholders in conjunction with the sale of CCO.

Cedar Oil International, Inc.

Cedar Oil International, Inc. ("COI") is a petroleum distribution company that sells petroleum to the Company's franchisees that operate at a service station and do not have an existing dealership agreement with another petroleum retailer or have a dealership agreement that expires during the term of the franchise agreement. COI has made a loan to the Company. At December 31, 2022, 2021 and 2020, the Company has a revolving note payable to COI totaling $1,329,007, $1,284,065 and $1,269,915, respectively, including interest at 3.5% per annum. The note matures on February 23, 2027. Interest expense related to this note was $44,942, $44,150 and $14,915 for the years ended December 31, 2022, 2021 and 2020, respectively.

Cedar Landmark, Inc.

Cedar Landmark, Inc. ("CLI") operated one Beyond Food Mart location during 2020 for which the Company waived the initial franchise fee. CLI may develop additional locations for which the Company expects to waive the initial franchise fees.

CLI and the Company have paid certain costs and expenses on each other's behalf and have made loans to each other. At December 31, 2022, 2021 and 2020, the Company has a revolving note payable to CLI totaling $114,485, $110,614 and $106,889, respectively, including interest at 3.5% per annum. The note matures on April 30, 2024. Interest expense related to this note was $3,871, $3,725 and $3,599 for the years ended December 31, 2022, 2021 and 2020, respectively.

Note 3 – Related Party Transactions (continued)

Moreno Valley Fuel Group Inc.

Moreno Valley Fuel Group Inc. ("MVFG") acquired one Beyond Food Mart location from CLI during the year ended December 31, 2020. Pursuant to the Assignment and Assumption of Franchise Agreement, CLI assigned its interest in the franchise agreement to MVFG and MVFG assumed the rights and obligations of the franchisee. Notes receivable, franchisees at December 31, 2022, 2021 and 2020 include $176,470, $185,651 and $143,456, respectively, related to the acquired location. This amount was converted from in-progress costs for locations in development during the year ended December 31, 2020.

Dos Lagos Oil, Inc.

Dos Lagos Oil, Inc. ("DLO") acquired one Beyond Food Mart location from CLI during the year ended December 31, 2020. Pursuant to the Assignment and Assumption of Franchise Agreement, CLI assigned its interest in the franchise agreement to DLO and DLO assumed the rights and obligations of the franchisee. Notes receivable, franchisees at December 31, 2022 and 2021, respectively, include $441,651 and $444,061 related to the acquired location. This amount was converted from in-progress costs for locations in development during the year ended December 31, 2021. In-progress costs at December 31, 2020 include $332,605 related to the acquired location.

FSE Sales, Inc.

FSE Sales, Inc. ("FSE") and the Company have paid certain costs and expenses on each other's behalf and have made loans to each other. At December 31, 2022, the Company has a revolving note payable to FSE totaling $109,178, including interest at 3.5% per annum. The note matures on March 31, 2029. Interest expense related to this note was $2,815 for the year ended December 31, 2022.

Summary

Following is a summary of loans receivable from related parties at December 31, 2022, 2021 and 2020:

	2022	2021	2020
Beyond Food Mart, Inc.	$ 118,139	$ 115,989	$ 112,373
Others	11,019	10,646	10,280
	$ 129,158	$ 126,635	$ 122,653

Note 3 – Related Party Transactions (continued)

Summary

Following is a summary of notes payable to related parties at December 31, 2022, 2021 and 2020:

	2022	2021	2020
Alrahaman, LLC	$ 2,781,133	$ 1,230,404	$ 215,451
Beyond International, LLC	874,156	804,041	846,292
Cedar Landmark, Inc.	114,485	110,614	106,889
Cedar Oil International, Inc.	1,329,007	1,284,065	1,269,915
FSE Sales, Inc.	109,178	-	-
Others	15,327	-	-
	$ 5,223,286	$ 3,429,124	$ 2,438,547

Note 4 – Accounts Receivable

Accounts receivable at December 31, 2022, 2021 and 2020 consists of the following balances due from franchisees:

	2022	2021	2020
Initial franchise fees	$ 60,000	$ -	$ -
Royalties	39,190	16,529	7,211
Other	11,227	11,227	13,602
	110,417	27,756	20,813
Allowance for doubtful accounts	(5,000)	(5,000)	(10,620)
	$ 105,417	$ 22,756	$ 10,193

Note 5 – Notes Receivable, Franchisees

As provided in its franchise agreement, the Company will advance a portion (up to $650,000) of 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. For locations other than a turn-key location purchased from BFMI, upon commencement of location development, the franchisee executes a revolving note secured by the financeable FFE and by real property (if the franchisee or an affiliate has appropriate real property to secure the loan). The note is personally guaranteed by the owners of the franchisee and the owners of any applicable real estate. If the franchisee has fully complied with all terms of 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.

Note 5 – Notes Receivable, Franchisees (continued)

As of December 31, 2022, the Company has five notes receivable from franchisees totaling $1,432,363. One note bears interest at 3.26% per annum and the remaining bear interest at 9% per annum. During the year ended December 31, 2022, the Company forgave $120,101 of interest and $86,834 of principal under the provisions described above, for total improvement loan forgiveness expense of $206,936.

As of December 31, 2021, the Company has five notes receivable from franchisees totaling $1,442,169. One note bears interest at 3.26% per annum and the remaining bear interest at 9% per annum. During the year ended December 31, 2021, the Company forgave $133,117 of interest and $79,278 of principal under the provisions described above, for total improvement loan forgiveness expense of $212,395.

As of December 31, 2020, the Company has three notes receivable from franchisees totaling $467,792. One note bears interest at 3.26% per annum and the other two bear interest at 9% per annum. During the year ended December 31, 2020, the Company forgave $25,326 of interest and $27,003 of principal under the provisions described above, for total improvement loan forgiveness expense of $52,329.

Note 6 – Notes Payable, Stockholders

The Company has two revolving notes payable to its stockholders totaling $284,462, $274,843 and $265,517 at December 31, 2022, 2021 and 2020, respectively. The notes bear interest at 3.5% per annum. One note with a balance of $201,876 as of December 31, 2022 matured on September 30, 2023 and, subsequent to year-end, was extended to September 30, 2030. The second note with a balance of $82,587 as of December 31, 2022 matures on February 28, 2025. Interest expense related to these notes was $9,620, $9,326 and $9,068 for the years ended December 31, 2022, 2021 and 2020, respectively.

Note 7 – Franchise Agreements and Activity

The Company's franchise agreement provides for a term of twenty years with no option to renew. One franchise agreement assigned to the Company (Note 3) provided for a term of fifteen years with no option to renew; however, that franchise agreement was terminated by mutual agreement on February 12, 2021.

The initial franchise fee for each convenience store is $30,000, due upon signing of the franchise agreement. The Company's current franchise agreement also requires a $10,000 security deposit. Certain franchisees have received waivers of the initial franchise fee and security deposit.

Note 7 – Franchise Agreements and Activity (continued)

The Company's pre-opening obligations are limited to identifying any turnkey location that may be available for the franchisee; reviewing the locations proposed by franchisee (including lease agreement) and confirming that the locations fulfill basic site selection criteria; introducing the franchisee to a Company-approved architect, engineer and contractor that may be engaged by the franchisee in the planning, construction and improvement of the franchise location; considering any architect, engineer or contractor proposed by the franchisee for approval; acquiring and installing a back office computer system and signage in the franchise location; providing assistance in identifying and obtaining the required inventory items; conducting operations training for the franchisee's employees; providing the franchisee with access to the operations manual; and approving initial advertising and grand opening promotion materials.

Following is a summary of franchise locations for the years ended December 31, 2022, 2021 and 2020:

	Franchisee Owned	Owned by BFMI (Note 3)	Total
Locations at December 31, 2019	2	2	4
Locations added	3	-	3
Locations at December 31, 2020	5	2	7
Locations added	1	-	1
Locations terminated	-1	-1	-2
Locations at December 31, 2021	5	1	6
Locations added	4	-	4
Locations at December 31, 2022	9	1	10

Note 8 – Concentrations of Credit Risk

Cash

The Company maintains its cash account at a financial institution insured by the Federal Deposit Insurance Corporation ("FDIC"). At December 31, 2022, the FDIC insurance limit was $250,000 and the Company had no cash balances in excess of this limit. Cash balances maintained by the Company may, at times, exceed FDIC limits. Management believes the Company is not exposed to any significant risk related to its cash accounts and is not subject to any unusual credit risk beyond the normal credit risk associated with commercial banking relationships.

Note 8 – Concentrations of Credit Risk (continued)

Revenue

During 2022, the Company's royalty revenue was derived from nine franchisees located in Southern California and Arizona. The Company has, at its discretion, waived royalties for certain other franchisees in exchange for the continued development of multiple locations.

Note 9 – Commitments and Contingencies

Legal Matters

The Company is subject to legal proceedings and claims arising in the ordinary course of conducting its business. Management is not currently aware of any legal proceedings in which the outcome may have a material adverse effect on the financial position, results of operations or cash flows of the Company.

BEYOND FRANCHISING INC.
Balance Sheet
September 30, 2023

These financial statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

ASSETS

Current Assets		
Bank	34,916.01	
Accounts Receivable - Franchisees	8,893.87	
Notes Receivable - Franchisees	2,107,019.94	
Loans Receivable - Related Parties	286,212.99	
Prepaid Expenses	16,683.28	
Total Current Assets		2,453,726.09
Property and Equipment		
Equipment	55,783.35	
Vehicles	5,987.46	
Computer & Softwares	119,899.34	
Accumulated Depreciation	(86,130.00)	
Total Property and Equipment		95,540.15
Other Assets		
Truck Lease Downpayment	12,327.00	
Accumulated Amortization	(6,369.00)	
Lease Vehicle Finance	25,621.20	
In-Progress Costs for Locations In Development	4,548,833.53	
Total Other Assets		4,580,412.73
		7,129,678.97

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	260,107.79	
Security Deposit	25,000.00	
Lease Vehicle Current Liability	3,202.65	
Lease Vehicle Long-Term Liability	21,351.00	
Deferred Franchise Fee Revenue	120,000.00	
Total Current Liabilities		429,661.44
Long-Term Liabilities		
Notes Payable - Related Parties	6,868,730.97	
Notes Payable-Shareholders	294,679.74	
Total Long-Term Liabilities		7,163,410.71
Total Liabilities		7,593,072.15
Capital		
Common Stock	200,000.00	
Retained Earnings	(1,083,394.24)	
Net Income	420,001.06	
Total Capital		(463,393.18)
Total Liabilities & Capital		7,129,678.97

BEYOND FRANCHISING INC.
Income Statement
For the Nine Months Ending September 30, 2023

Revenues	
Royalty Income	675,696.62
Other Income	82,729.54
Interest Income	4,505.53
Total Revenues	762,931.69
Expenses	
Advertising and Promotion	48,972.38
Auto Expenses	3,650.00
Bank Charges	2,180.33
Charitable Contributions	5,000.00
Computer Support and Supplies	3,285.75
Insurance Expense	12,535.64
Interest Expense	168,753.96
Legal and Professional Expense	72,828.00
Repair and Maintenance	7,154.64
Other Taxes	50.00
Operating Lease Expense	8,540.40
Storage	2,016.45
Supplies Expense	3,600.00
Travel Expense	4,363.08
Total Expenses	342,930.63
Net Income	420,001.06

BEYOND FRANCHISING INC.
Statement of Cash Flow
For the nine Months Ended September 30, 2023

Cash Flows from operating activities	
Net Income	420,001.06
Adjustments to reconcile net income to net cash provided by operating activities	
Notes Receivable-Franchisees	(129,395.31)
Loans Receivable-Related Parties	(41,571.91)
Prepaid Expenses	(3,629.31)
Accounts Payable	(264,831.77)
Lease Vehicle Liability	(9,607.95)
Total Adjustments	(449,036.25)
Net Cash provided by Operations	(29,035.19)
Cash Flows from investing activities Used For	
Purchase of Computer & Softwares	(13,674.26)
In-Progress Costs for Location in Development	(1,484,485.36)
Net cash used in investing	(1,498,159.62)
Cash Flows from financing activities	
Account Receivable, Franchisees	25,296.11
Lease Vehicle Finance	8,540.40
Proceeds From Notes Payable Related Parties	1,541,189.04
Proceeds from Notes Payable, Shareholders	10,217.36
Net cash used in financing	1,585,242.91
Net increase <decrease> in cash	58,048.10
Summary	
Net increase <decrease> in cash	58,048.10
Cash Balance at Beg of Period	(23,132.09)
Cash Balance at End of Period	34,916.01

FRANCHISE AGREEMENT WITH EXHIBITS

BEYOND FOOD MART® FRANCHISE AGREEMENT

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SCHEDULE 1: BEYOND MARKS

EXHIBIT A: FRANCHISE LOCATION

EXHIBIT B: MEMORANDUM OF TERM COMMENCEMENT DATE

EXHIBIT C: FRANCHISE LOCATION LEASE ADDENDUM

EXHIBIT D: MEMORANDUM OF FRANCHISOR'S RIGHTS IN FRANCHISE LOCATION PROPERTY AND LEASE

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 Franchise 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 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 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 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 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 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 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

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 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 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 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 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 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 SECURITY DEPOSIT; FRANCHISE FEES; REBATE; BANK ACCOUNT AND DEPOSITS; ELECTRONIC WITHDRAWALS.

3.1 Security Deposit. When you deliver this Franchise Agreement to us, you shall also deliver to us $10,000 as a security deposit for your complete and timely performance of each and every provision of this Franchise Agreement and any other agreement between you and us or any of Our Affiliates. If you default in performance of any provision of this Franchise Agreement, including defaulting in the timely performance of any payment or royalty due, or any other agreement between you and us or any of Our Affiliates, we may use all or any portion of the security deposit to (a) cure the default, (b) compensate us for any monies we advance to cure the default, or (c) pay us for any and all loss or damages we suffer or expenses we incur arising out of or related to the default, without prejudice to or waiver of any other rights given us by this Franchise Agreement or by law. You shall pay us on demand a sum equal to the portion of the security deposit we expend, use, or apply as permitted by this Section, so as to at all times maintain a $10,000 security deposit. If any money is or becomes due to us or any of Our Affiliates from you after this Franchise Agreement expires or is terminated for any reason, we may use the security deposit to pay that sum. If you are not in default in performance of any provision of this Franchise Agreement or any other agreement with us or any of Our Affiliates on the day this Franchise Agreement expires or is terminated, we shall return to you the balance of the security deposit remaining after deducting all sums due us or Our Affiliates within 30 days after the expiration or effective date of termination. Our obligations with respect to the security deposit are those of a debtor and not a trustee. We may commingle the security deposit with our general or other funds and shall not be required to pay you interest on it.

3.2 Initial Fee. When you deliver this Franchise Agreement to us you shall also deliver to us a $30,000 initial franchise fee in a lump sum. The initial franchise fee is fully earned on the date we sign this Franchise Agreement and is not refundable.

3.3 Royalty.

A. Commencing on the first day of the calendar month after the month in which the Opening (as defined in Section 9.1) occurs (the "Royalty Commencement Date") and continuing on the first day of each calendar month until the calendar month after the calendar month in which the Franchise Location first has Gross Revenue of $45,000 or more, you shall deliver to us by Electronic Withdrawal as defined in Section 3.6, without notice or demand, a $2,000 royalty payment (the "Minimum Royalty"), except that the Minimum Royalty payment for the month in which the Opening occurs will be prorated based on the number of days remaining in the month in which the Opening occurs. Commencing on the first day of the calendar month after the calendar month in which the Franchise Location first has Gross Revenue of $45,000 or more, you shall deliver to us by Electronic Withdrawal, without notice or demand, a royalty payment equal to 7% of your Gross Revenue during the preceding calendar month (the "Percentage Royalty"), but not less than the Minimum Royalty.

B. We may defer imposition of either or both the Minimum Royalty or the Percentage Royalty for up to six months by delivering written notice of extension. If we terminate this Franchise Agreement prior to the Royalty Commencement Date because you are in default under it, in addition to all other sums to which we are entitled under this Franchise Agreement, by law, or in equity, you shall pay us on demand the Minimum Royalty for each calendar month commencing with the calendar month in which the Opening occurred, with the royalty for the month of the Opening prorated as described in Paragraph A of this Section, and continuing through the date on which the term of this Franchise Agreement is terminated.

3.4 Royalty Rebate. For each full calendar month after the Royalty Commencement Date during which you (a) participate as required by this Franchise Agreement in all marketing and advertising campaigns we conduct during the calendar month 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") and through the date the rebate described in this Section is to be paid, 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.

3.5 Gross Revenue Defined. Gross Revenue shall include (a) (i) the gross selling price or barter value of all goods and services (including, without limitation, sales of tobacco products, beer, wine, alcoholic beverages, and car washes, but excluding revenue from sales of lottery tickets or petroleum fuel sales) 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, Venmo, Zelle, or similar account, cryptocurrency, charge account, credit for purchases of any kind, 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); (ii) charges for the use of vehicle charging stations at or on the real property where the Franchise Location is situated (the "Franchise Location Property"); and (iii) commissions collected from lottery ticket purchases, automated teller machines (including, without limitation, cryptocurrency automated teller machines), or any other machines or devices installed in or on the Franchise Location Property that generate revenue in any form or by any means that is not otherwise excluded from the definition of Gross Revenue in this section; (b) less (i) permitted refunds made to *bona fide* customers in good faith not to exceed $1,800 in any calendar month; (ii) amounts actually paid for sales or excise taxes that were added to the selling price of goods and collected from customers; (iii) redemption of gift cards; (iv) complimentary items provided to your paid employees (which shall not exceed the maximum amount permitted in the latest version of the Beyond Manual); and (v) sales of assets of the Franchised Business other than the Beyond Inventory not made in the ordinary course of business (collectively, "Gross Revenue").

3.6 Bank Account and Deposits. Prior to the Opening 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 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.

3.7 Electronic Withdrawals.

A. Payment of any monies payable by you to us (whether periodic or exceptional) shall be made by our 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 making an Electronic Withdrawal 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 Withdrawal provided for in this Section.

B. If there are insufficient funds available in the Business Account when we attempt an Electronic Withdrawal of 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 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 3.6 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 3.6 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.

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 Your Use Prohibition. If you propose a Franchise Location site and you subsequently choose not to make that your Franchise Location for any reason, neither you nor Your Affiliate (as defined in 5.2) may operate a convenience store at that location for three years after the date you choose a different Franchise Location. If you exercise the right to terminate this Franchise Agreement as provided in Section 5.1B, 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 three years 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 C (including, without limitation, the option to take over the Lease if you default under it or the Franchise Agreement, the option to have you assign the Lease to us rather than any third party, the right to assign the Lease if we take over the Lease, and a right of first refusal to purchase all or any portion of Landlord's interest in the real property that the Landlord proposes to sell on the same terms Landlord proposes to sell it to another party); and (iv) include a nondisturbance agreement from the Landlord's lender(s).

B. Unless you entered into a Lease for the Franchise Location before you entered into a Franchise Agreement with us, 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 14 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 within

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.

D. You shall be and remain the tenant or owner of the Franchise Location throughout the term of the Franchise Agreement.

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; Beyond Loan Amount.

A. Unless there is a Beyond Food Mart® at the Franchise Location (a "Turnkey Location"), within 10 business days after you and we have executed Exhibit A, we will deliver to you an estimate (the "Estimate") of the cost 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, signs and signage, furnishings, fixtures, equipment, and other improvements you must acquire and install in the Franchise Location (collectively, the "FFE") and (ii) decorating the 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 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 (collectively, the "BFI FFE"); (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, (e) 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 (f) 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 items of FFE we will finance (the "Financeable FFE") (which will not include the BFI FFE or the Point of Sale System(s) (as defined in Section 12.2) that you will acquire yourself) and the amount we will lend you to acquire the Financeable FFE and have the Contractor install it in the Franchise Location (the "Beyond Loan

Amount"). The Beyond Loan Amount will not be more than $650,000 and may be less than that and less than the cost of acquiring and installing the Financeable FFE. If the Franchise Location is a Turnkey Location, we will deliver a statement of the Beyond 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 Beyond Loan Amount to deliver to us notice that you are either (i) prepared to execute and deliver the Loan Documents as defined in and as and when required by Section 5.2 or (ii) terminating this Franchise Agreement and certifying that the Beyond Loan Amount exceeds the indebtedness you are able to incur. If you terminate this Franchise Agreement as provided in this Paragraph, within 30 days after you deliver to us a duly executed Franchise Termination and Covenant Survival Agreement and Release in the form we are then using for that purpose (a "Termination Agreement"), we shall deliver to you a refund of any security deposit you have paid us less any permitted deductions and offsets. If you do not deliver a notice as required by this Paragraph, you shall be deemed to have chosen to terminate this Franchise Agreement as provided in this Paragraph.

C. If for any reason, whether or not foreseen, the cost of the Work exceeds the Beyond 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 as and when due. If you do not deliver any Excess as required by this Paragraph within five days after payment is required, we may terminate this Franchise Agreement by delivering written notice of termination.

5.2 Loan Documents, Security; Conditional Forgiveness.

A. When you choose to borrow the Beyond Loan Amount, to evidence and secure payment of the Beyond Loan Amount we will deliver to you: (i) the Loan and Security Agreement in the form we require (the "Security Agreement"), (ii) a Secured Revolving Promissory Note 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 for the Real Property in the form we require (the "DOT"); (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 to Further Encumbrance, Leasehold Assignment(s), and Fixture Waiver and Nondisturbance Agreement (the "Lender's Consent") from any senior lender on the Real Property or the Secured Property, as the case may be, 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 Real Property or the Secured Property, as the case may be, 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 (all, except for item (vi), collectively, the "Loan Documents"). We may defer delivery of the Loan Documents until you have obtained some or all of the entitlements

required for your development of the Real Property as your Franchise Location. You shall deliver the original Loan Documents, fully executed and acknowledged as necessary, within seven days after we deliver them to you.

We may obtain an MAI appraisal prior to approving the Secured Property and at any time during the term of the Secured Revolving Promissory Note. 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 total outstanding principal and interest payable under the Secured Revolving Promissory Note (the "Indebtedness") amounts to more than 80% of the value of the Secured Property as shown by an MAI appraisal obtained by us (either, a "Shortfall"), we may terminate this Franchise Agreement and require immediate payment of the outstanding principal 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. Unless the Franchise Location is a Turnkey Location, we shall make advances of the Beyond 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. If the Franchise Location is a Turnkey Location, we will pay the seller of the Turnkey Location assets an amount equal to the Beyond Loan Amount on terms agreed upon between the seller and us.

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 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 Franchise Location Improvement.

A. Unless the Franchise Location is a Turnkey Location, within 60 days after we and you have signed Exhibit A, 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 and 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"). You shall not submit the Plans or Specifications to any governmental entity or agency, without first delivering them to us and allowing us no less than 30 days to require you to revise them to comply with our requirements and without delivering the revised Plans and/or Specifications to us to confirm the revisions have been made as required. Should the Plans or Specifications at any time be modified in any respect for any reason, you shall submit the modified Plans and/or Specifications to us for review and make any revisions we require within 30 days after our receipt of the modified Plans and/Specifications prior to submitting them to any governmental entity or agency.

B. Unless the Franchise Location is a Turnkey Location, after the Plans and Specifications have been reviewed and revised by us as required by Paragraph A and approved by the Landlord if necessary, you shall engage the Contractor to apply for and pursue issuance of all entitlements, 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"), perform the Work, and obtain any conditional use permit or similar entitlement required by Applicable Laws (the "CUP"). You shall oversee the Contractor's performance of the Work and cause the Contractor to diligently pursue it to completion. You shall keep us apprised of the progress of and all developments and occurrences related to the application for and issuance of the Building Permits and any CUP(s). If at any time you are denied any Building Permit or CUP and therefore cannot develop and/or operate the Franchise Location as a Beyond Food Mart®, we shall have all the rights granted to us in the Memorandum of Franchisor's Rights and you and we shall enter into a Termination Agreement.

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 <u>Interior Decoration; Furnishings, Fixtures, and Equipment</u>.

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 and the sources we designate, that may be one or more of our Affiliates, and install in the Franchise Location the FFE in accordance with the Plans and Specifications. Before the

Completion Date, you shall permit us to have the BFI FFE installed in the Franchise Location or on the Real Property.

B. You shall not at any time encumber or grant any lien against any of the FFE without our prior written consent or against any of the BFI FFE. You shall not at any time remove or replace any of the FFE or BFI 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. You shall give us written notice upon learning of any damage to or need to repair any of the BFI FFE.

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 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 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 unavoidably delayed in or prevented from completing any of the Work because of any delay in delivery or shortage 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; pandemic or other public health emergency; 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 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 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, by videoconference, and/or 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 MANUAL.

8.1 Beyond Manual.

A. So long as you are not in default under this Franchise Agreement, we shall give you hard copy and electronic access through the internet to and supplement as provided in Section 1.4B, confidential and/or proprietary Franchise Location specifications; 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 Manual. We may initially give you access to the Beyond 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 Manual from disclosure to anyone except as expressly permitted by this Franchise Agreement or the Beyond Manual.

B. You shall be given access to the Beyond 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 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 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 Manual with any person except as expressly permitted by this Franchise Agreement.

8.2 Compliance with Beyond 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 Manual.

8.3 Ownership and Protection. The Beyond 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 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 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 Manual except for disclosure (but not reproduction or duplication in any manner) of the Beyond 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. We will reimburse you $2,500 of the $5,000 you spend as required by this Section within 15 days after we receive proof satisfactory to us of the total amount you have spent.

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 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 Manual and periodically update a List of Approved Brands and Suggested Suppliers 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 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 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 Manual a List of Approved Brands and Suggested Suppliers that includes designated or suggested suppliers.

E. If at any time no approved brand and no specifications are contained in the List of Approved Brands and Suggested Suppliers 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 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 List of Approved Brands and Suggested Suppliers. If we conclude that the suggested brand and/or the suggested suppliers should not be added to the List of Approved Brands and Suggested Suppliers 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 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 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 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 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 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 Manual.

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

A. Unless we choose to obtain and own it as provided in Paragraph B, 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) point of sale software compatible with the C-Store Software (as defined below) (the "Point of Sale Software") and (b) any accounting, bookkeeping, word processing, and other software we designate or approve from time to time (the "Other Software").

B. We will obtain and own the license for the convenience store recordkeeping, management, and analysis software system we select from time to time (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. You must permit us to install and maintain the C-Store Software on the back office computer we will install in your Franchise Location and continue to own. If we at any time choose to own it, you must permit us to install and maintain in your Franchise Location the Point of Sale Software and/or any Other Software we select. We will permit you to use and you shall use as permitted by the applicable license agreement and as required or permitted by this Franchise 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 own, install, and require you to use. In return for being permitted to use the C-Store Software, you will pay the licensor all service and maintenance fees required under the license for the C-Store Software and if we choose to obtain and own the Point of Sale Software and/or any Other Software, you will pay the licensor's fees for them as we require.

C. 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.

D 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 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.

E. 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 Manual. You shall not alter, tamper with, or remove all or any part of the Data.

F. 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 and/or permit us to 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 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"). We may choose to obtain, own, replace, and update or change as we see fit any or all of the Additional Devices so long as we permit you to use them in the Franchise Location for the Franchised Business. 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 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 to us.

12.4 Data Collection and Security. You shall at all times comply with Applicable Laws in the collection, storage, and use of customer information, and your telephonic and electronic communications, including (without limitation) the Controlling the Assault of Non-Solicited Pornography and Marketing Act (15 U.S.C § 7701 et seq.), the Payment Card Industry Data Security Standard (PCI-DSS), and the Telephone Consumer Protection Act (47 U.S.C. § 227). 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 suspect or 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 Manual and by calling our main office telephone number and shall implement all other procedures required by Applicable Laws.

12.5 Gross Revenue Report. In any month throughout the term of this Franchise Agreement in which C-Store Software does not automatically generate a Gross Revenue report for any reason or in which we are unable to access the Gross Revenue report for any reason, 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 Manual, covering the preceding calendar month at or before midnight on the fifth day of the 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 3.6 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 Manual, you shall deliver to us electronically the reports for the periods we have designated in the latest version of the Beyond 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 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 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 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 3.6, 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 3.6, 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 3.6, 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 3.6, 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 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 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) 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 this Franchise Agreement without our prior written consent.

13.2 Employee Solicitation. 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 TRO; Injunction. 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 Definition. 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 Advertising Approval; Advertised Prices. 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 3.6, 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 the Beyond Food Mart® 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 the Beyond Food Mart® website. **We do not make any warranty and disclaim any and all implied warranties that the Beyond Food Mart® 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 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 3.6, 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, TikTok, and any other social media of which we approve in the social media policy in the latest version of the Beyond 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 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 violation of 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 obtain 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 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 or any of Your

Affiliates 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 Royalty Commencement Date and continuing so long as you have performed each and all of your obligations under this Franchise Agreement or until it expires, whichever comes first, a $100 placement fee for all the advertising media displays located in or on your Beyond Food Mart® or the Real Property and a $50 placement fee for any advertising media displays placed on any fuel dispensers on the Real Property (individually and collectively, the "placement fee"). If the Royalty Commencement Date is a day other than the first day of a calendar month, the initial placement fee payment shall be prorated on the basis of a 30 day month and shall be due and payable five business days after the Royalty Commencement Date. 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 be obscured or blocked or 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 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.

14.9 Signs.

A. Unless the Franchise Location is a Turnkey Location, as part of the Financeable FFE we will order from a supplier we select (which may be or include only us or any of Our Affiliates) and you shall 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 (the "Signs"). If the Franchise Location is a

Turnkey Location, the cost of the signs will be included in the Beyond Loan Amount. You shall cause all Signs to comply with Applicable Laws. You shall keep the Signs clean and in good working order and shall 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 take any action necessary 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. Upon the earlier termination of this Franchise Agreement prior to its expiration or upon its expiration, you shall either immediately remove all Signs and deliver them to us or destroy those of the Signs we instruct you to destroy.

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 3.6, 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.

14.10 Copyrights.

A. The design and content of the 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 14.9 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 14.9 and all other copyrighted materials delivered or licensed to you under this Franchise Agreement.

14.11 Extranet. You shall use as required by the latest version of the Beyond 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 Manual and shall use the Extranet only as permitted or required by the latest version of the Beyond Manual and only during the term of this Franchise Agreement.

14.12 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.

14.13 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 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 3.6, 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 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 Automobile Liability. You shall obtain and maintain throughout the term of this Franchise Agreement (a) a policy providing hired and non-owned automobile liability insurance; and (b) if you own or operate a vehicle used primarily for or registered in the name of the person or entity that is the franchisee commercial automobile liability insurance in the amounts required by the Fee Schedule.

17.5 Car Wash Liability. If you or your affiliate operate a car wash at your Franchise Location, you shall obtain and maintain throughout the term of this Franchise Agreement a policy of car wash liability insurance including coverage for damage to customers' vehicles in the amounts required by the Fee Schedule.

17.6 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.

17.7 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.

17.8 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.

17.9 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 3.6, 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.

17.10 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, whether asserted during or after the term of this Franchise Agreement.

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 3.6, 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 refundable 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 Termination Agreement.

If the proposed transfer is not completed solely because we do not approve the proposed transferee, we will return the franchise transfer fee you have paid us concurrently with our notice of disapproval of the transferee.

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 your interest in the Lease; if you or any of your Affiliates owns the Franchise Location real property and/or improvements and proposes to sell, transfer, or otherwise dispose of all or any part of any of them with or without consideration; or, if you are an entity and you propose to assign, sell, transfer, or otherwise dispose, with or without consideration, of 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 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 or be assigned the Lease, as the case may be, 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. If you or any of Your Affiliates owns the Franchise Location real property and/or improvements, concurrently with your delivery of this Franchise Agreement, you shall deliver to us a Memorandum of Franchisor's Rights in Franchise Location Property and Lease (the "Memorandum of Franchisor's Rights") substantially in the form of Exhibit D duly executed and acknowledged by you or Your Affiliate, as the case may be, that we may record at any time. If the Franchise Location Property is not owned by you or any of Your Affiliates, concurrently with your execution of the Lease, you will deliver to us a Memorandum of Franchisor's Rights duly executed and acknowledged by the owner of the Franchise Location Property that we may record at any time.

B. If the event triggering exercise of our right of first refusal is a proposed sale of all or any portion of your interest in this Franchise Agreement, the Franchised Business, or the Franchise Location real property you own and/or the improvements on it, there shall be appended to our notice of exercise a purchase agreement for the purchase and sale of your interest in this Franchise Agreement, the Franchised Business, or the Franchise Location real property and/or improvements, as the case may be, 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 purchase of the interest being sold, (c) containing conditions to closing commonly contained in an agreement for purchase of the interest being sold, 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 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 "PA"). You shall execute the PA within 10 business days after delivery of our notice and we shall execute the PA 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 Manager. 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.

25.1 Termination Events. 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 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 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 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 unavoidably prevented by a labor action or dispute, shortage of or limitation on availability of water or other utilities, power failure, government action, pandemic or other public health emergency, national emergency, act of war or terrorism, or natural occurrence 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 unavoidably prevented by a labor action or dispute; shortage of or limitation on availability of water or other utilities; power failure; government action; pandemic or other public health emergency; national emergency; act of war or terrorism, or natural occurrence or 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.

25.2 Termination Notice Delivery. Any termination notice delivered as provided in Section 25.1 or any other Section of this Franchise Agreement shall be deemed delivered as provided in Section 31. If you refuse to accept delivery of the notice it shall be deemed delivered on the date of your refusal.

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 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 Termination Agreement, 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, exercisable by delivering written notice of exercise to you within 30 days after the Franchise Agreement is terminated, (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 FFE 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; NONCOMPLIANCE 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 3.6.

29.4 Service Charge. 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 14.9 (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 3.6, 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 Litigation. 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 Collection and Termination Costs. 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 91710
Attention: Mark Sater, President
Email: franchise@beyondfoodmart.com

If to you:

_____
_____
_____
_____
Email: _____

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 NOTE, THE LOAN AND SECURITY**

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 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 on 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 Force Majeure Events. Should we be unavoidably delayed in or prevented from performing any of our duties under this Franchise Agreement by a labor action or dispute, shortage or unavailability of supplies, shortage of or limitation on availability of water or other utilities, power failure, government action, pandemic or other public health emergency, national emergency, act of war or terrorism, or natural occurrence or disaster, the time for us to begin to perform that duty shall be extended until the cause of our inability to perform has been eliminated.

32.17 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.

32.18 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, masculine, and all other gender or nongender specific pronouns.

32.19 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.

32.20 Counterparts; Electronic and Digital Signatures. This Franchise Agreement may be executed in one or more counterparts, all of which taken together shall constitute one original

agreement. Facsimile, electronic, and digital signatures shall be as effective as original signatures. Counterparts transmitted electronically or by facsimile transmission shall be as effective as an original.

32.21 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.

32.22 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_____
Name: _____
Title: _____
Date: _____

YOU

_____
_____

By_____
Name: _____
Title: _____
Date: _____

By_____
Name: _____
Title: _____
Date: _____

EXHIBIT
DO NOT SIGN

BEYOND MARKS

BEYOND MARKS
SCHEDULE 1 TO
FRANCHISE AGREEMENT
EXHIBIT D

SCHEDULE 1

BEYOND MARKS

Beyond Food Mart®

Fountain Falls®

Frosty Peak®

Glacial Aisle®

FRANCHISE LOCATION

FRANCHISE LOCATION
EXHIBIT A TO
FRANCHISE AGREEMENT
EXHIBIT D

EXHIBIT A
FRANCHISE LOCATION

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

EXHIBIT

Location: _____.
Facility Number: _____.

BEYOND FRANCHISING INC.,
a California corporation

DO NOT SIGN

By_____
Name: _____
Title: _____

_____
_____

By_____
Name: _____
Title: _____

By_____
Name: _____
Title: _____

MEMORANDUM OF TERM COMMENCEMENT DATE

MEMORANDUM OF TERM COMMENCEMENT DATE
EXHIBIT B TO
FRANCHISE AGREEMENT
EXHIBIT D

EXHIBIT B
MEMORANDUM OF TERM COMMENCEMENT DATE

As provided by Section 2.1 of that certain Beyond Food Mart® Franchise Agreement dated as of _____ 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 _____.

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

FRANCHISOR
Beyond Franchising Inc., a California corporation

By:_____
Name: _____
Title: _____

EXHIBIT
DO NOT
SIGN

FRANCHISEE
_____
_____
(Print Franchisee's Name)

By_____
Name: _____
Title: _____

FRANCHISE LOCATION LEASE ADDENDUM

FRANCHISE LOCATION LEASE ADDENDUM
EXHIBIT C TO
FRANCHISE AGREEMENT
EXHIBIT D

EXHIBIT C

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") to develop and operate the Franchised Business at 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 having the Franchisor or another franchisee as a backup tenant and therefore wishing to take the actions the Franchise Agreement requires as conditions to Tenant entering 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 and Franchisor to install in and around 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,

displays, 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's right to operate the Franchised Business expire or be terminated for any reason, the Lease shall terminate unless Franchisor exercises its right to assume the Lease as provided in this Addendum.

3. Franchisor's Option to Assume Lease; Quiet Enjoyment; Nondisturbance.

3.1 Option.

A. Landlord grants Franchisor the option to assume the Lease and take possession of the Premises (i) if the Franchise Agreement expires or is terminated for any reason, (ii) at any time when Tenant is in default under the Franchise Agreement, (iii) if Landlord and Tenant agree to terminate the Lease for any reason other than as a result of Landlord's exercise of its sole right to terminate because of damage to or destruction of the Premises or the Property or a taking by eminent domain, (iv) at any time when Tenant is in default under the Lease (in which case Landlord shall refrain from terminating the Lease for the period provided in Paragraph B for Franchisor to exercise the option), or (v) if Tenant has not exercised an option to renew or extend the Lease within the time provided in the Lease (in which case the time to exercise the renewal or extension option shall be extended to allow Franchisor to exercise the option as provided in Paragraph B), all without fulfilling any of the requirements or conditions of the Lease except as provided in this Section and notwithstanding any conditions to assignment and/or assumption set forth in the Lease.

B. Landlord shall deliver to Franchisor written notice of the occurrence of any event described in clause (iii), (iv), or (v) of Paragraph A (the "Occurrence Notice") prior to terminating the Lease. Franchisor shall have 30 days after receipt of an Occurrence Notice to deliver to Landlord written notice of its assumption of the Lease and the time to exercise any option to extend or renew shall be extended for a period sufficient to allow Franchisor 30 days after receiving an Occurrence Notice to exercise its right. Should Franchisor wish to exercise the right to assume the Lease upon an event described in clause (i) or (ii) of Paragraph A, Franchisor shall deliver to Landlord written notice of Franchisor's assumption of the Lease within 30 days after the occurrence of that event. Upon receipt of Franchisor's written notice of the assumption of the Lease as provided in this Section, 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 but without the obligation to cure any preexisting default under the Lease except as provided in this Paragraph. 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 that predate Franchisor's assumption 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 except as provided in this Section.

3.2 Quiet Enjoyment; Nondisturbance. If Franchisor exercises its right to assume the Lease and take possession of the Premises as permitted by this Addendum, it or its permitted successors or assigns shall have quiet enjoyment of the Premises throughout the term of the Lease (including any options to extend the Lease) so long as Franchisor or its permitted successor or assigns, as the case may be, is not in default under the Lease. Landlord shall use its best efforts to obtain from each person or entity that has a lien on the Premises or the real property and improvements of which the Premises are a part (a "Lender") and deliver to Franchisor within 30 days after the date Landlord signs the Lease the Lender's nondisturbance agreement in form reasonably satisfactory to Franchisor, which if Franchisor will lend Tenant moneys to install FFE in the Premises shall be Franchisor's form of Lender's Consent to Further Encumbrance and Leasehold Assignment(s), Fixture Waiver, and Nondisturbance Agreement.

4. FFE.

A. The FFE will remain personal property whether or not affixed to or placed in the Premises. Landlord waives and disclaims any right, title, claim, or interest in the FFE that might otherwise arise from some or all the FFE being attached to or resting on or in the Premises. Tenant and Franchisor, or either of them, may remove any or all of the FFE from the Premises at any time, so long as reasonable care is used in removing them.

B. Landlord grants and acknowledges Franchisor's priority interest in the FFE and ownership of any and all items containing or constituting Franchisor's intellectual property, all of which shall be included in the term FFE for purposes of this Addendum. Landlord shall not remove any of the FFE from the Premises for 30 days after Tenant's right to occupy the Premises expires or is terminated and during that period Landlord shall upon no less than 48 hours notice give Franchisor access to every portion of the Premises and permit Franchisor to remove any or all of the FFE. Landlord waives and relinquishes any lien or other rights it might otherwise have in the FFE.

5. 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"). Separate from its right to assume the Lease provided in Section 3 and with no obligation to assume the Lease, 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 a 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.

6. Franchisor's Assignment of Lease. At any time concurrently with or after Franchisor delivers notice of its assumption 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 or subletting and a copy of a written assignment and assumption or sublease signed by or on behalf of the affiliate or franchisee, 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, in the case of an assignment, a general release of Franchisor in a mutually acceptable form.

7. Right of First Refusal Upon Landlord's Proposed Sale. If Landlord proposes to sell all or any portion of Landlord's interest in the real property where the Premises are located and/or the improvements on it (the "Property"), prior to making a binding agreement to sell the Property Landlord shall deliver to Franchisor written notice of the proposed sale, including a description of the interest Landlord proposes to sell, the identity of the proposed transferee, and the proposed consideration, terms, and conditions ("Landlord's Notice"). Franchisor or its nominee shall have the first right to acquire the interest described in Landlord's Notice by delivering to Landlord notice of the exercise of that right within 30 days after Franchisor receives Landlord's Notice. If Franchisor exercises the right set forth in this Paragraph, within 15 days after Landlord receives Franchisor's notice of exercise, Landlord shall deliver to Franchisor the proposed form of real property purchase and sale agreement, which shall include those terms commonly found in real property purchase and sale agreements for properties with a value, character, and use similar to the Property, including (without limitation) (i) a 45 day due diligence period and a right for the buyer to cancel during that period, (ii) the representations and warranties and cross-indemnity provisions commonly contained in an agreement for sale of the interest being sold, (iii) conditions to closing commonly contained in an agreement for sale of the interest being sold, and (iv) a place and a date no less than 60 nor more than 120 days later for the closing of the sale (the "PSA"). Within 10 days after it receives the PSA, Franchisor shall deliver to Landlord the signed PSA or proposed revisions to cause it to conform to the provisions of this Paragraph. Within 10 days after receipt of any proposed revisions from Franchisor, Landlord and Franchisor shall resolve any disagreement and execute the final form of PSA.

8. Additional Covenants. Landlord shall not accept Tenant's voluntary surrender of the Lease without Franchisor's prior written consent. Landlord shall not consent to Tenant's assignment of the Lease to any person or entity except Franchisor without Franchisor's prior written consent and Landlord consents to Tenant's assignment of the Lease to Franchisor if Tenant proposes to cease being the tenant under the Lease for any reason. 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.

9. 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 or expiration of the Franchise Agreement or Lease, Franchisor upon no less than 48 hours notice to Landlord 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.

10. CONSENT TO CONDITIONAL ASSIGNMENT OF LEASE, WAIVER, AND COVENANTS.

10.1 Consent, Waiver, and Covenants. If Franchisor loans money to acquire and install the FFE in the Premises, the security for that loan may include, among other things, Tenant's conditional assignment to Franchisor of Tenant's rights, title, and interest under the Lease. Landlord consents to Tenant's conditional assignment of the Lease to Franchisor and Franchisor's exercise of all the rights attendant to it, including (without limitation) the right to occupy the Premises and operate the Franchised Business in it.

10.2 No Present Obligation. Franchisor shall not be obligated to perform or discharge any obligation or duty of Tenant under the Lease as a result of the conditional assignment or otherwise and neither anything in the conditional assignment nor Landlord's consent shall be construed as an assumption by Franchisor of any obligation or duty of Tenant under the Lease or operate to make Franchisor responsible for the possession, operation, or maintenance of the Premises. Unless and until Franchisor elects to assume Tenant's position under the Lease, Franchisor shall not have any obligation to perform any of Tenant's obligations under the Lease.

11. 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.

12. Renewals and Extensions. If the Lease contains any option or 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 option or 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.

13. 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 91710
Attention: Mark Sater, President

14. 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.

15. Recordable Memorandum. Concurrently with its execution of this Addendum, Landlord shall deliver to Franchisor a Memorandum of Franchisor's Rights in Franchise Location Property and Lease in Franchisor's usual form, completed as necessary, duly executed and acknowledged by Landlord, which Franchisor may record at any time.

16. 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, 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.

IN WITNESS WHEREOF, Landlord, Franchisor, and Tenant have executed this Addendum as of _____.

FRANCHISOR
BEYOND FRANCHISING INC.,
a California corporation

By: _____
Name: _____
Title: _____
Date: _____

TENANT
_____
_____

By_____
Name: _____
Title: _____
Date: _____

LANDLORD
_____
_____

By_____
Name: _____
Title: _____
Date: _____

EXHIBIT
DO NOT
SIGN

EXHIBIT C

SCHEDULE 1: PREMISES

EXHIBIT DO NOT FILL

Facility Number: _____

MEMORANDUM OF FRANCHISOR'S RIGHTS IN FRANCHISE LOCATION PROPERTY AND LEASE

MEMORANDUM OF FRANCHISOR'S RIGHTS IN FRANCHISE LOCATION PROPERTY AND LEASE

EXHIBIT D TO
FRANCHISE AGREEMENT

EXHIBIT D

EXHIBIT D

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

MEMORANDUM OF FRANCHISOR'S RIGHTS IN FRANCHISE LOCATION PROPERTY AND LEASE

THIS MEMORANDUM OF FRANCHISOR'S RIGHTS IN FRANCHISE LOCATION PROPERTY AND LEASE (this "Memorandum") is entered into as of _____, 20____ by and between Beyond Franchising Inc., a California corporation ("BFI") and _____ ("Property Owner") with reference to the following facts:

EXHIBIT

A. _____ ("Franchisee") has entered into an unrecorded Franchise Agreement with BFI (the "Franchise Agreement") and intends to operate a franchised Beyond Food Mart® convenience store on all or a portion of real property owned by Property Owner that is commonly known as _____ and more particularly described in Exhibit 1 (the "Property"). Property Owner may be Franchisee or an affiliate of Franchisee or an unrelated third party.

DO NOT FILL

B. Unless Franchisee is the Property Owner, Franchisee has leased or will lease a portion of the Property (the "Franchise Location") from Property Owner pursuant to an unrecorded written lease for a term of _____ years commencing _____, 20____ (the "Lease") and will develop, build out, equip, and operate a Beyond Food Mart® on and at the Franchise Location, using BFI's trade name, trade or service marks, and trade dress.

C. To protect BFI's intellectual property rights, interests, and goodwill, the Franchise Agreement and an unrecorded Addendum that is made a part of any Lease (the "Addendum") (i) provide that BFI has a priority interest in and rights to take over Franchisee's interest in the Franchise Location, the Lease, and the furniture, fixtures, equipment, inventory, signs and signage, displays, and other personal property used in the operation of the Beyond Food Mart® at the Franchise Location (all, collectively, the "FFE"), including (without limitation) all personal property that includes or constitutes BFI's intellectual property, trade identity, or trade dress (the "IP") and (ii) grant BFI or its nominee the right to take possession of the Franchise Location and any or all of the FFE under certain circumstances, including (without limitation) upon termination or expiration of the Franchise Agreement or the Lease.

D. Recognizing the benefit Property Owner obtains from the development and operation of a Beyond Food Mart® at the Franchise Location, Property Owner has granted BFI the priorities and

rights in Franchisee's interest in the Franchise Location and the FFE as provided in the Franchise Agreement and the Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, BFI and Property Owner hereby confirm and give notice of:

1. OPTION TO ASSUME LEASE. Property Owner has granted BFI the option to assume Franchisee's interest under the Lease and take possession of the Franchise Location (a) if the Franchise Agreement expires or is terminated for any reason, (b) at any time when Franchisee is in default under the Franchise Agreement, (c) if Property Owner and Franchisee agree to terminate the Lease for any reason other than as a result of Property Owner's exercise of its sole right to terminate because of damage to or destruction of the Franchise Location or the Property or a taking of the Property by eminent domain, (d) at any time when Franchisee is in default under the Lease, or (e) if Franchisee has not exercised a right to renew or extend the Lease within the time provided in the Lease (collectively, the "Assumption Option"). The Assumption Option commences on the occurrence of an event described in clause (a) or (b) or the date Property Owner delivers to BFI notice of the occurrence of an event described in clause (c), (d), or (e) and continues for 30 days. In the Franchise Agreement, Franchisee has granted BFI the rights described in the Assumption Option.

2. RIGHT OF FIRST REFUSAL TO PURCHASE. Property Owner has granted BFI a right of first refusal to purchase Property Owner's interest in all or any portion of the Property or any improvements on it if Property Owner chooses to dispose of all or any part of the Property or all or any part of the improvements on the Property. This right of first refusal commences on the date Property Owner delivers to BFI notice of the proposed sale and continues for 30 days.

3. OPTION TO PURCHASE OR LEASE FROM FRANCHISEE PROPERTY OWNER. If Property Owner is also Franchisee, Property Owner has granted BFI or its nominee on terms and conditions set forth in the Franchise Agreement the right to purchase or lease the Property if the Franchise Agreement is terminated. The right to purchase or lease set forth in the Franchise Agreement commences on the date the Franchise Agreement is terminated and continues for 30 days.

4. BFI'S ASSIGNMENT OF LEASE. If BFI exercises its right to assume the Lease, BFI has been granted the right to assign or sublet the Lease to an affiliate of BFI or a franchisee approved by BFI by delivering written notice of the assignment or subletting and a copy of a written assignment and assumption or sublease signed by or on behalf of the affiliate or franchisee, without charge or penalty. Upon any assignment, BFI is released from any further obligations under the Lease. Any assumption of the Lease by BFI or subsequent assignment of the Lease by BFI will not release Franchisee from its obligations under the Lease that predate BFI's assumption.

5. FFE AND IP. Franchisee has granted BFI the right to acquire the FFE set forth in detail in the Franchise Agreement upon Franchisee's cessation of operation of the Franchise Location as a Beyond Food Mart® for any reason. Property Owner has granted and acknowledges BFI's priority interest in the FFE and ownership of the IP. Property Owner shall not remove any of the FFE from the Franchise Location for 30 days after Franchisee's right to occupy the Franchise Location expires or is terminated and during that period Property Owner shall upon no less than

48 hours notice give BFI access to every portion of the Franchise Location and the Property and permit BFI to remove any or all of the FFE. Property Owner waives and relinquishes any lien or other rights it might otherwise have in the FFE.

6. FRANCHISE AGREEMENT OR ADDENDUM PREVAILS. If there is any inconsistency or conflict between the provisions of this Memorandum and the provisions of the Franchise Agreement or the Lease (including, without limitation, any Addendum to it) pertaining to rights or obligations described in this Memorandum, the Franchise Agreement or Lease, as the case may be, shall govern and prevail.

7. COUNTERPARTS. This Memorandum may be executed in any number of counterparts, all of which together shall constitute one and the same instrument.

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

EXHIBIT
DO NOT
SIGN

BFI
BEYOND FRANCHISING INC.,
a California corporation

By_____
Name: _____
Title: _____

PROPERTY OWNER
_____
_____
(Print Name and, if entity, jurisdiction of formation)

By_____
Name: _____
Title: _____

By_____
Name: _____
Title: _____

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

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

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 at the Beyond Food Mart® franchise location identified in Schedule 1 (the "Franchise Location") certain furniture, furnishings, fixtures, and equipment described in Schedule 2. To evidence the loan, Borrower will give Beyond the Secured Revolving Promissory Note identified in Schedule 1 (the "Secured Revolving Promissory Note").

C. Borrower 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 an unrelated third party or a person or entity that is owned or controlled by some or all of Borrower's owners. The Secured Revolving Promissory Note will be secured by a Deed of Trust with Assignment of Rents and Fixture Filing to the Franchise Location or other real property Borrower or the owner named in Schedule 1 ("Owner") has pledged for that purpose.

D. 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.

"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 at or in the Franchise Location 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 Document(s)": Collectively, this Agreement, the Secured Revolving Promissory Note; Deed of Trust With Assignment of Rents and Fixture Filing (the "DOT"); Lender's Consent to Further Encumbrance and Leasehold Assignments, Fixture Waiver, and Nondisturbance Agreement (the "Lender's Consent") 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, Owner, and any owners of any entity owner of the Secured Property (each a "Guaranty"); and any other agreement entered into in connection with this Agreement, all as amended or extended from time to time.

"Obligations": All (i) debts, principal, interest (including, without limitation, any interest that accrues after the commencement of an Insolvency Proceeding), payments, or other amounts owed to Beyond by Borrower pursuant to this Agreement, the Secured Revolving Promissory Note and all extensions, modifications, and replacements of it, or any other Loan Document, whether absolute or contingent, due or to become due, now existing or hereafter arising, (ii) liabilities, obligations, or duties of any kind or nature whatsoever now or hereafter evidenced by the Secured Revolving Promissory Note, this Agreement, or any other Loan Document, (iii) debt, liability, or obligation owing from Borrower to others that Beyond may have obtained by assignment or otherwise; and (iv) liabilities, obligations, or indebtedness now or hereafter evidenced by this 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 the Secured Revolving Promissory Note, this Agreement, or any other Loan Document.

"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 1, 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, installation company, or supplier providing the goods and/or services for which the advance is made within 30 days after the advance is requested by the contractor, installation company, or supplier. Each time Beyond delivers to Borrower an invoice for sums advanced, Borrower shall initial an amended form of or a balance sheet substantially in the form of Schedule 1 to the Secured Revolving Promissory Note setting forth the date and amount of the advance. Because Beyond may have purchased some of the goods before this Agreement was signed, the Secured Revolving Promissory Note may include expenses Beyond incurred before the date of this Agreement and/or the Secured Revolving Promissory Note Promissory. The principal balance of the Secured Revolving Promissory Note outstanding from time to time shall earn interest at the rate of 9% *per annum*, compounded annually, commencing on the date of the first advance. The outstanding principal balance of the Secured Revolving Promissory Note shall be payable in 20 equal annual installments of principal only commencing on the Payment Commencement Date to be entered in Schedule 1 of the Secured Revolving Promissory Note and one final payment of any remaining principal balance and all accrued interest no later than the day before the 20th anniversary of the Payment Commencement 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 and the Rider to DOT, if applicable, duly executed and in recordable form;

v. if Borrower leases the Franchise Location, a form of Lease acceptable to BFI that includes BFI's standard Lease Addendum (the "Franchise Location Lease");

vi. a Memorandum of Franchisor's Rights in Franchise Location Property and Lease, if applicable, duly executed and in recordable form;

vii. a Lender's Consent to Further Encumbrance, Leasehold Assignment(s), and Fixture Waiver and Nondisturbance Agreement, if applicable, duly executed and in recordable form; and

viii. 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 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 Owner certified by the applicable governmental authority;

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

iii. If Borrower is a limited liability company or partnership, a copy of its Operating or Partnership Agreement executed by each member or partner, as the case may be.

C. Insurance Certificates. Beyond shall have received, in form and substance satisfactory to it, the insurance certificates required by Section 7E;

D. Borrower Representations and Warranties. Borrower's representations and warranties in Article 6 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 Revolving 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. BORROWER'S CONDITIONAL ASSIGNMENT OF LEASEHOLD INTEREST.

5.1 Conditional Assignment of Leasehold Interest. To secure the payment and performance of the Obligations, Borrower hereby presently, irrevocably, absolutely, and unconditionally assigns, transfers, and sets over to Beyond all Borrower's right, title, and interest in and to the Franchise Location Lease (including, without limitation, any security deposit currently held by the landlord under the Franchise Location Lease to Borrower'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 Borrower is not in default under the Secured Revolving Promissory Note, this Agreement, or any of the other Loan Documents, Borrower 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 the Addendum to Franchise Location Lease.

5.2 Exercise. Borrower authorizes Beyond, 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 Agreement, the Secured Revolving Promissory Note, 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 the Franchise Location. The authority granted to Beyond by Borrower includes the right at Beyond's option to take over and assume the operation and maintenance of any or all portions of the Franchise Location.

5.3 No Liability. Unless and until Beyond elects to enter the Franchise Location and take over and assume Borrower's position as tenant under the Franchise Location Lease, Beyond shall not have any obligation to perform any of Borrower's obligations under the Franchise Location Lease. Beyond shall not be obligated to perform or discharge any obligation or duty of the tenant under the Franchise Location Lease as a result of the conditional assignment set forth in this Article or otherwise and nothing set forth in this Article shall be construed as Beyond's assumption of any obligation or duty of Borrower under the Franchise Location Lease or operate

to make Beyond responsible for the possession, operation, or maintenance of the Franchise Location.

6. 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 Articles of Incorporation or Organization, as the case may be, Operating Agreement, Partnership Agreement, or other 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 Franchise Location 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.

7. 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 quarter, 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.

8. 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.

9. 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 7 or 8.

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 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.

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

10.1 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.

10.2 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.

10.3 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.

10.4 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.

10.5 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.

10.6 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.

10.7 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.

11. NOTICES.

11.1 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.

11.2 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 11.1.

12. 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.

13. GENERAL PROVISIONS.

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

13.2 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.

13.3 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.

13.4 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.

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

13.6 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.

13.7 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.

13.8 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.

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

13.10 Counterparts; Electronic Counterparts; Signatures. 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 or digital signatures shall have the same effect as original signatures.

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

13.12 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.

13.13 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.

13.14 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 10.7 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.

EXHIBIT

BORROWER	**BEYOND**
_____	Beyond Franchising Inc.,
_____	a California corporation
By_____	By _____
Print Name: _____	Print Name: _____
Print Title: _____	Print Title: _____

DO NOT SIGN

SCHEDULE 1

Franchise Agreement between Beyond and Borrower with Reference Date of:

_____

Franchise Location: _____
_____
_____

Facility Number: _____

Secured Property: _____
_____
_____

Secured Property Owner: _____

Liens existing on the date of this Agreement: _____
_____
_____

Secured Revolving Promissory Note
Maximum Revolving Loan amount: _____
Date: _____

Borrower's status:
□ Individual
□ Entity; State of formation _____

Borrower's principal place of business: _____
_____
_____

EXHIBIT
DO NOT
FILL

SCHEDULE 2

FURNITURE, FURNISHINGS, FIXTURES, AND EQUIPMENT

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

EXHIBIT

$_____ _____, 20__
Chino, California

SECURED REVOLVING PROMISSORY NOTE
FOR
BEYOND FOOD MART FACILITY _____

DO NOT FILL

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 (either, "Payee"), without offset or demand, in immediately available lawful money of the United States of America, at 4300 Edison Avenue, Chino, California or any other location the holder of this Note may hereafter designate, so much of the principal sum of $_____ as is invoiced to Borrower by Beyond based on advances made by Beyond from time-to-time that remain outstanding, some of which may have been incurred by Beyond before the date of this Note, 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 Beyond delivers an invoice to Borrower, Beyond and Borrower shall cause Schedule 1 or a balance sheet substantially in the form of Schedule 1, attached to and incorporated in this Note, to be amended to set forth the amount and date of each invoice.

The unpaid principal balance of this Note outstanding from time-to-time shall bear interest at the rate of 9% *per annum*, compounded annually, from and after the date of the first advance and continuing until the entire principal balance and all accrued interest have been paid in full. 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 shall be payable in 20 equal annual installments commencing on the first day of the 13th month after the Term Commencement Date determined in accordance with the Franchise Agreement between Borrower and Beyond with a Reference Date of _____ (the "Payment Commencement Date") and continuing on each annual anniversary of the Payment Commencement Date until the entire outstanding principal balance of this Note is paid in full, but no later than the 20th anniversary of the Payment Commencement Date (the "Payoff Date"). All accrued interest payable pursuant to this Note shall be paid on the Payoff Date. When the Payment Commencement Date is determined, Beyond shall enter it in Schedule 1 and Beyond and Borrower shall initial that entry.

This Note may be prepaid in part or in full at any time without penalty. Each payment, including any prepayment, shall be credited first on interest then due and the remainder on principal and interest shall thereupon cease upon the principal so credited.

Notwithstanding the interest rate provided for above, any past due payment shall bear interest from the due date until the date of payment at the rate of 10% *per annum*.

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) Borrower fails to cause Schedule 1 to be modified and/or initialed as required by this Note; (4) if at any time during the term of this Note the total outstanding principal and interest payable under this Note (the "Indebtedness) amount to more than 80% of the value of the real property that secures this Note (the "Real Property") and Borrower does not deliver to Payee a payment sufficient to reduce the Indebtedness to no more than 80% of the value of the Real Property within 10 days after receipt of notice from Payee; (5) Borrower is an entity that is the subject of any voluntary or involuntary dissolution or becomes insolvent; or (6) 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 shall not transfer or assign all or any part of its obligations or rights under this Note. 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. To the maximum extent permitted by law, Borrower waives any right to jury trial in any action or proceeding related to 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 and a security interest in Borrower's assets in accordance with the Loan Agreement. If Borrower is divested of title or any interest in the Real 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 without Payee's prior written consent, or if any lien, claim, or encumbrance is subsequently placed against the Real Property without Payee's prior written consent, voluntarily or involuntarily, Payee 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.

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

_____

_____

Print Borrower's Name

By _____

Name: _____

Title: _____

EXHIBIT
DO NOT SIGN

SCHEDULE 1

Payment Commencement Date: _____ _____/_____
INITIALS

INVOICE DATE	INVOICE AMOUNT	OUTSTANDING PRINCIPAL BALANCE	INITIALS	
			BFI	BORROWER

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.

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

EXHIBIT
DO NOT FILL

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: _____

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 _____)

EXHIBIT

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.

DO NOT

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.

FILL

_____
Notary Public

SECURED REVOLVING PROMISSORY NOTE

SCHEDULE 1 TO
SECURED REVOLVING PROMISSORY NOTE
EXHIBIT F

$_____ _____, 20____
Chino, California

SECURED REVOLVING PROMISSORY NOTE
FOR
BEYOND FOOD MART FACILITY _____

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 (either, "Payee"), without offset or demand, in immediately available lawful money of the United States of America, at 4300 Edison Avenue, Chino, California or any other location the holder of this Note may hereafter designate, so much of the principal sum of $_____ as is invoiced to Borrower by Beyond based on advances made by Beyond from time-to-time that remain outstanding, some of which may have been incurred by Beyond before the date of this Note, 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 Beyond delivers an invoice to Borrower, Beyond and Borrower shall cause Schedule 1 or a balance sheet substantially in the form of Schedule 1, attached to and incorporated in this Note, to be amended to set forth the amount and date of each invoice.

The unpaid principal balance of this Note outstanding from time-to-time shall bear interest at the rate of 9% *per annum*, compounded annually, from and after the date of the first advance and continuing until the entire principal balance and all accrued interest have been paid in full. 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 shall be payable in 20 equal annual installments commencing on the first day of the 13th month after the Term Commencement Date determined in accordance with the Franchise Agreement between Borrower and Beyond with a Reference Date of _____ (the "Payment Commencement Date") and continuing on each annual anniversary of the Payment Commencement Date until the entire outstanding principal balance of this Note is paid in full, but no later than the 20th anniversary of the Payment Commencement Date (the "Payoff Date"). All accrued interest payable pursuant to this Note shall be paid on the Payoff Date. When the Payment Commencement Date is determined, Beyond shall enter it in Schedule 1 and Beyond and Borrower shall initial that entry.

This Note may be prepaid in part or in full at any time without penalty. Each payment, including any prepayment, shall be credited first on interest then due and the remainder on principal and interest shall thereupon cease upon the principal so credited.

Notwithstanding the interest rate provided for above, any past due payment shall bear interest from the due date until the date of payment at the rate of 10% *per annum*.

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) Borrower fails to cause Schedule 1 to be modified and/or initialed as required by this Note; (4) if at any time during the term of this Note the total outstanding principal and interest payable under this Note (the "Indebtedness) amount to more than 80% of the value of the real property that secures this Note (the "Real Property") and Borrower does not deliver to Payee a payment sufficient to reduce the Indebtedness to no more than 80% of the value of the Real Property within 10 days after receipt of notice from Payee; (5) Borrower is an entity that is the subject of any voluntary or involuntary dissolution or becomes insolvent; or (6) 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 shall not transfer or assign all or any part of its obligations or rights under this Note. 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. To the maximum extent permitted by law, Borrower waives any right to jury trial in any action or proceeding related to 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 and a security interest in Borrower's assets in accordance with the Loan Agreement. If Borrower is divested of title or any interest in the Real 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 without Payee's prior written consent, or if any lien, claim, or encumbrance is subsequently placed against the Real Property without Payee's prior written

consent, voluntarily or involuntarily, Payee 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.

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.

EXHIBIT

BORROWER

_____

_____

Print Borrower's Name

DO NOT

By _____

Name: _____

Title: _____

SIGN

SCHEDULE 1

Payment Commencement Date: _____ _____/_____
INITIALS

INVOICE DATE	INVOICE AMOUNT	OUTSTANDING PRINCIPAL BALANCE	INITIALS	
			BFI	BORROWER

EXHIBIT
DO NOT
FILL

DEED OF TRUST WITH ASSIGNMENT OF RENTS AND FIXTURE FILING AND RIDER TO DEED OF TRUST

DEED OF TRUST WITH ASSIGNMENT OF RENTS AND FIXTURE FILING AND RIDER TO DEED OF TRUST

EXHIBIT G

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
Beyond Franchising Inc.
4300 Edison Avenue
Chino, California 91710

APN: _____

DEED OF TRUST
WITH ASSIGNMENT OF RENTS AND FIXTURE FILING

EXHIBIT

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").

DO NOT FILL

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 (collectively, "Rents") 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 "Secured Revolving Promissory Note"), and extensions or renewals of the Secured Revolving Promissory 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 (all, collectively, the "Secured Indebtedness").

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.

Paragraph (d) above shall be fully operative and effective to create a present security interest in existing and future Rents under California Civil Code Section 2938 without any further action on the part of Trustor or Beneficiary and Beneficiary shall be entitled, at its option, to all Rents whether or not Beneficiary takes possession of the Property. Trustor hereby further grants to Beneficiary the right to: (i) enter and take possession of the Property for the purpose of collecting the Rents; (ii) dispossess by the usual summary proceedings any tenant defaulting in the payment of Rents to Beneficiary; (iii) rent the Property or any part of it; and (iv) apply the Rents, after payment of all necessary charges and expenses (including, without limitation, attorneys' fees and costs), to the Secured Indebtedness. After the occurrence of an Event of Default, Beneficiary shall have the rights set forth in California Civil Code Section 2938 without notice to or demand upon Trustor and without regard to the adequacy of the security for the Secured Indebtedness. Beneficiary shall immediately and automatically be entitled to receive, collect, and possess all Rents in accordance with California Civil Code Section 2938. Any entering upon and taking and maintaining of control of the Property or the Rents by Beneficiary or the receiver and any application of Rents as provided herein shall not: (i) constitute Beneficiary as a "mortgagee in possession" unless affirmatively elected by Beneficiary in writing; (ii) make Beneficiary an agent of Borrower; (iii) constitute an action, render the Secured Indebtedness unenforceable, violate California Code of Civil Procedure Section 726, or otherwise limit any rights available to Beneficiary with respect to its security; or (iv) be deemed to create any bar to a deficiency judgment on the Secured Indebtedness. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor, or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary hereunder, except as may be due to gross negligence or intentional acts of Beneficiary, its employees, or agents. Neither Beneficiary's application nor Beneficiary's failure to apply the Rents in accordance with

the terms of Deed of Trust shall result in a loss of any lien or security interest Beneficiary may have in the Property, render the Secured Indebtedness unenforceable, constitute a violation of California Code of Civil Procedure Section 726, or otherwise limit any right available to Beneficiary with respect to its security.

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 Secured Revolving Promissory 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 Secured Revolving Promissory 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
Del 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			

*Recorded 10/23/61 Book 792 Page 833

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.

EXHIBIT

_____, 20____ _____

_____

Print Name of Entity (if any)

DO NOT SIGN

By _____

Name: _____

Title: _____

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

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.

RIDER TO DEED OF TRUST FOR THIRD PARTY SECURING SECURED REVOLVING PROMISSORY NOTE

1.1 Authorization of Lender. Any party comprising "Trustor" under this Deed of Trust that is not the franchisee under the Beyond Food Mart® Franchise Agreement dated _____ ("Nonborrower Trustor") hereby authorizes Beneficiary to perform any of the following acts at any time and from time to time, all without notice or demand to Nonborrower Trustor and without affecting Beneficiary's rights or Nonborrower Trustor's obligations under this Deed of Trust:

(a) Alter any terms of the Secured Revolving Promissory Note or any part of it, including (without limitation) renewing, compromising, extending, or accelerating or otherwise changing the time for payment of, or increasing or decreasing the rate of interest on, the Secured Revolving Promissory Note or any part of it.

(b) Accept new or additional documents, instruments, or agreements relative to the Secured Revolving Promissory Note or any of the (i) debts, principal, interest (including, without limitation, any interest that accrues after the commencement of an insolvency proceeding), payments, or other amounts owed to Beneficiary by the party that is the payor under the Secured Revolving Promissory Note that is secured by this Deed of Trust ("Borrower") pursuant to any of the Loan Documents and all extensions, modifications, and replacements of any of them whether absolute or contingent, due or to become due, now existing or hereafter arising, (ii) liabilities, obligations, or duties of any kind or nature whatsoever now or hereafter evidenced by the Secured Revolving Promissory Note or any other Loan Document, (iii) debt, liability, or obligation owing from Borrower to others that Beneficiary may have obtained by assignment or otherwise; and (iv) liabilities, obligations, or indebtedness now or hereafter evidenced by any of the Loan Documents and all amendments, modifications, and replacements to them, including (without limitation) compliance with all the stipulations, covenants, and agreements contained in the Secured Revolving Promissory Note or any other Loan Document (collectively, the "Obligations").

(c) Consent to the change, restructure, or termination of the entity structure or existence of Borrower, Nonborrower Trustor, or an affiliate of Borrower or Nonborrower Trustor and correspondingly restructure the Obligations.

(d) Accept partial payments on the Secured Revolving Promissory Note and/or the Obligations.

(e) Assign the Secured Revolving Promissory Note, and with it the Deed of Trust, in whole or in part.

(f) Take and hold additional security for the Secured Revolving Promissory Note, accept additional or substituted security or guaranties for the Secured Revolving Promissory Note, and/or subordinate, exchange, enforce, waive, release, compromise, fail to perfect, sell, or otherwise dispose of any of the security.

(g) Apply any security now or later held for the Secured Revolving Promissory Note in any order Beneficiary in its sole discretion may choose and direct the order and manner of any sale of all or any part of it and bid at any sale.

(h) Release Borrower of liability for the Secured Revolving Promissory Note or any part of it.

(i) Settle, release, compound, compromise, collect, or otherwise liquidate the Secured Revolving Promissory Note or all or any of the Obligations and/or the collateral or any guaranty of the Secured Revolving Promissory Note in any manner, whether in liquidation, reorganization, receivership, bankruptcy, or otherwise.

(j) Substitute, add, or release any collateral or one or more guarantors or endorsers of the Secured Revolving Promissory Note.

1.2 Suretyship Waivers. Nonborrower Trustor hereby waives:

(a) Any right it may have to require Trustee and/or Beneficiary to proceed against Borrower, proceed against or exhaust any security held from Borrower, or pursue any other remedy in Trustee or Beneficiary's power to pursue, including that right or any other right set forth in California Civil Code §§2845 or 2850.

(b) Any defense based on any legal disability of Borrower, any discharge or limitation of the liability of Borrower to Beneficiary, whether consensual or arising by operation of law or any bankruptcy reorganization, receivership, insolvency, or debtor relief proceeding, or from any other cause or any claim that Nonborrower Trustor's obligations exceed or are more burdensome than Borrower's.

(c) All presentments, demands for performance, notices of nonperformance, protests, notice of protest, notices of dishonor, notices of acceptance of this Deed of Trust, and of the existence, creation, or incurring of new or additional indebtedness of Borrower, and demands and notices of every kind or nature whatsoever.

(d) Any defense based on or arising out of any defense that Borrower may have to the payment or performance of the Obligations or any part of any of them.

(e) Any defense based on the modification, renewal, extension, or other alteration of the Obligations.

(f) Any defense based on Beneficiary's negligence, including the failure to record an interest under the Deed of Trust, the failure to protect any security interest, or the failure to file a claim in any bankruptcy of Borrower, Nonborrower Trustor, or of any other person.

(g) Any defense based on Beneficiary's delay in enforcing this Deed of Trust.

(h) All rights of subrogation, reimbursement, indemnification, and contribution (contractual, statutory, or otherwise), including (without limitation) any claim or right of subrogation under Title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor to it or any other present or future bankruptcy or insolvency statute (the "Bankruptcy Code"), any other rights that may become available to Nonborrower Trustor under California Civil Code §§2787–2856, inclusive, all rights to enforce any remedy Beneficiary may have against Borrower, and all rights to participate in any security now or later held by Beneficiary for the Secured Revolving Promissory Note, including any such right or any other right set forth in

California Civil Code §§2845, 2848, or 2849, and any defense based on the impairment of any subrogation rights Nonborrower Trustor may have.

(i) To the fullest extent permitted by law, all rights and benefits under California Civil Code §2809 purporting to reduce a guarantor's obligations in proportion to the principal obligation.

(j) To the fullest extent permitted by law: (i) any defense arising as a result of Beneficiary's election in any proceeding instituted under the Bankruptcy Code of the application of Bankruptcy Code §1111(b)(2); (ii) any defense based on any borrowing or granting of a security interest under Bankruptcy Code §364; and (iii) without limiting the generality of the foregoing or any other provision of this Deed of Trust (which includes this Rider for all purposes of definition), all rights and benefits that might otherwise be available to Nonborrower Trustor under California Civil Code §§2810, 2819, 2839, 2845, 2849, 2850, 2899, and/or 3433.

(k) The benefit of or any defense based on any statute of limitations affecting the liability of Nonborrower Trustor, including (without limitation) any rights arising under California Code of Civil Procedure §359.5.

(l) Any defense based on or related to Nonborrower Trustor's lack of knowledge of Borrower's financial condition or any failure by Beneficiary to inform Nonborrower Trustor of any facts Beneficiary may now or hereafter know about (i) Borrower; (ii) the transactions contemplated by the Loan and Security Agreement; or (iii) any of the obligors under the Secured Revolving Promissory Note; Loan and Security Agreement; Deed of Trust With Assignment of Rents and Fixture Filing; Lender's Consent to Further Encumbrance and Leasehold Assignments, Fixture Waiver, and Nondisturbance Agreement from any lender with an interest in any real property that secures any of the Obligations (the "Secured Property"); any Unconditional Continuing Personal Guaranties given Beneficiary by Borrower's owners, the owners of the Secured Property, or any owners of any entity owner of the Secured Property; and any other agreement entered into in connection with the loan that is secured by this Deed of Trust, all as amended or extended from time to time (collectively, the "Loan Documents").

(m) Any defense based on the death, incapacity, lack of authority, or termination of existence or revocation by any person or entity or the substitution of any party to this Deed of Trust.

(n) Any defense based on the inability to recover a deficiency judgment after a nonjudicial sale of real or personal property and any defense based on or arising from California Code of Civil Procedure §§580a, 580b, 580d, or 726 (including any fair value limitations under California Code of Civil Procedure §726) or based on or arising from Division 9 or any other applicable division of the California Commercial Code.

(o) All rights and defenses arising out of any election of remedies by Beneficiary, even though that election of remedies (such as nonjudicial foreclosure with respect to security for a guaranteed obligation or the acceptance by Beneficiary or an affiliate of Beneficiary of a deed in lieu of foreclosure) has destroyed Nonborrower Trustor's rights of subrogation and reimbursement against the obligors under the Secured Revolving Promissory Note by operation of California Code of Civil Procedure §580d or otherwise. Nonborrower Trustor understands that if Beneficiary forecloses by trustee's sale on any deed of trust securing the Obligations other than this Deed of Trust, Nonborrower Trustor would then have a defense preventing Beneficiary from thereafter enforcing Beneficiary's rights and remedies against Nonborrower

Trustor. This defense arises because the trustee's sale under another deed of trust securing the Obligations would eliminate Nonborrower Trustor's right of subrogation and therefore Nonborrower Trustor would be unable to obtain reimbursement from Borrower. Despite that knowledge, Nonborrower Trustor specifically waives this defense.

1.3 Waiver of Real Property Security Defenses. Nonborrower Trustor hereby waives all rights and defenses Nonborrower Trustor may have because the obligations under the Loan Documents are secured by real property. This means, among other things: (a) Beneficiary may collect from Nonborrower Trustor without first foreclosing on any real or personal property collateral pledged by Borrower; and (b) if Beneficiary forecloses on any real property collateral pledged by Borrower: (i) the amount of the obligations under the Loan Documents 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) Beneficiary may exercise its rights and remedies against the Property and collect from Nonborrower Trustor even if by foreclosing on any real property collateral pledged by Borrower, Beneficiary has destroyed any right Nonborrower Trustor may have to collect from Borrower. This is an unconditional and irrevocable waiver of any rights and defenses Nonborrower Trustor may have because the obligations under the Loan Documents are secured by real property. These rights and defenses include (without limitation) any rights or defenses based upon California Code of Civil Procedure §§580a, 580b, 580d or 726.

1.4 Knowledge Regarding Borrower. Nonborrower Trustor assumes full responsibility for being and keeping informed of Borrower's financial condition and business operations and all other circumstances bearing on the risk of nonpayment of the Obligations or affecting the ability of Borrower to pay and perform the Obligations and agrees that neither Trustee nor Beneficiary shall have any duty to disclose to Nonborrower Trustor any information either of them may receive about Borrower's financial condition and/or business operations or any other circumstances bearing on the Borrower's ability to perform. Beneficiary may grant or continue loan or loans to Borrower from time to time without notice to or authorization from Nonborrower Trustor, regardless of Borrower's financial or other condition at the time of any grant or continuation. Beneficiary shall not have any obligation to disclose or discuss with Nonborrower Trustor its assessment of Borrower's financial condition. Nonborrower Trustor acknowledges that no representations of any kind whatsoever have been made by Beneficiary or Trustee. By execution of this Deed of Trust Nonborrower Trustor represents and warrants to Trustee and Beneficiary that the relationship between Nonborrower Trustor and Borrower is such that Nonborrower Trustor has access to all relevant facts and information regarding the Obligations and/or Borrower and that Trustee and Beneficiary can rely on Nonborrower Trustor's having that access. Nonborrower Trustor waives and agrees not to assert any duty of Trustee or Beneficiary to disclose to Nonborrower Trustor any facts either of them may now know or later learn about Borrower, regardless of whether either or both Trustee or Beneficiary has reason to believe that any of those facts materially increase the risk beyond that which Nonborrower Trustor may intend to assume, has reason to believe that those facts are unknown to Nonborrower Trustor, or has a reasonable opportunity to communicate those facts to Nonborrower Trustor.

1.5 Notices. Nonborrower Trustor acknowledges and agrees that: (a) any notices to be delivered to Borrower as required by this Deed of Trust shall be deemed conclusively delivered when delivered to Borrower; and (b) Trustee and Beneficiary shall be entitled to rely on any and all notices, consents, and other communications from Borrower as the notice, consent, or

communication of Borrower. Nonborrower Trustor waives demand, protest, and notice of any kind, including (without limitation) notice of the existence, creation, or incurring of new or additional indebtedness or of any action or nonaction by Borrower, Beneficiary, any endorser, any creditor of Borrower or Nonborrower Trustor under this Deed of Trust or any other instrument, or in connection with any Obligations secured by this Deed of Trust.

1.6 Independent Obligations. Nonborrower Trustor's obligations under this Deed of Trust are independent of those of any other person or entity. Beneficiary may bring a separate action against Nonborrower Trustor and Nonborrower Trustor waives any right to require Beneficiary to proceed against Borrower or any other person or entity or to proceed against or exhaust any other security held by it at any time or to pursue any other remedy within its powers. Nonborrower Trustor agrees that Beneficiary shall not be obligated to resort to any other security, including (without limitation) security given by Borrower, with any priority, in any particular order, or at all even if that action or inaction destroys, alters, or otherwise impairs Nonborrower Trustor's subrogation rights or Nonborrower Trustor's right to proceed against Borrower for reimbursement, or both.

1.7 Choice of Remedy. Upon a default in any of the payments due under or performance of any of the terms, covenants, or conditions of the Loan Documents that is not cured within the time allowed for cure (an "Event of Default"), Beneficiary may elect to foreclose nonjudicially or judicially against any real or personal property security it holds for the Obligations or any part of any of them, or to exercise any other remedy. No action by Beneficiary shall release or limit Nonborrower Trustor's liability even if the effect of that action is to deprive Nonborrower Trustor of the right to collect reimbursement from Borrower or any other person for any sums paid to Beneficiary, or to obtain reimbursement by means of any security held by Beneficiary for the Obligations, or to impair any subrogation right Nonborrower Trustor may have.

1.8 Leasehold Rights.

A. To secure the payment and performance of the Obligations, until the Secured Revolving Promissory Note has been fully paid and satisfied of record, Nonborrower Trustor presently, irrevocably, absolutely, and unconditionally assigns, transfers, and sets over to Beneficiary all Nonborrower Trustor'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, collectively, "Other Leases"), and all rents, issues, and profits ("Rents") now due or that hereafter become due to Nonborrower Trustor derived from the Property. Notwithstanding the assignment set forth in this Paragraph, so long as neither Borrower nor Nonborrower Trustor is in default under the Secured Revolving Promissory Note or any of the Obligations, Nonborrower Trustor 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 30 days after Nonborrower Trustor signs this Deed of Trust it will deliver to Beneficiary the written consent of each prior lienholder to the execution and delivery of this Deed of Trust in form reasonably satisfactory to Beneficiary.

C. Nonborrower Trustor authorizes Beneficiary, upon an Event of Default, at its option to enter the Property and/or give notice to any and all tenants under any or all of the Other Leases of the assignment to Beneficiary and to collect, by its officers, agents, or employees, in the name

of Nonborrower Trustor 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 Beneficiary by Nonborrower Trustor includes the right, at Beneficiary's 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 Nonborrower Trustor might reasonably do. Upon electing to exercise the right to collect Rents, Beneficiary 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. Beneficiary 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 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 and Security 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 Beneficiary's sole discretion.

D. Unless and until Beneficiary elects to enter the Property and collect the Rents in place and stead of Nonborrower Trustor, Beneficiary shall not have any legal obligation to collect the Rents and at no time shall Beneficiary be in any manner liable or responsible for the failure of any tenant under any or all of 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. Beneficiary shall not be obligated to perform or discharge any obligation or duty of Nonborrower Trustor under any Other Lease or otherwise relating to the Property as a result of this conditional assignment or otherwise and nothing in this conditional assignment shall be construed as Beneficiary's assumption of any obligation or duty or operate to make Beneficiary responsible for the management, operation, or maintenance of the Property. Nonborrower Trustor shall indemnify, defend, and hold Beneficiary harmless from and against any and all liability, loss, damage, cost, and expense, including (without limitation) attorneys' fees and expenses, Beneficiary may at any time incur or suffer under any of the Other Leases or by reason of this conditional assignment or in any other manner relating to the Property except those arising out of or related to Beneficiary's own grossly negligent or deliberately wrongful act. This indemnification and all other indemnification obligations provided in this conditional assignment shall survive payment of the Secured Revolving Promissory Note, exercise of any right or remedy under this Deed of Trust or any other Loan Document, any subsequent sale or transfer of the Property, Beneficiary's release of this conditional assignment, and all similar or related events or occurrences.

E. Nonborrower Trustor 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 Beneficiary to pay to Beneficiary all Rent then due or thereafter to become due under any Other Lease. Nonborrower Trustor designates Beneficiary and its officers and agents as Nonborrower Trustor's attorney-in-fact with full power to collect all Rents, to receive, open, and dispose of all mail addressed to Nonborrower Trustor, 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 Beneficiary's exercise of its rights

under this conditional assignment. This power of attorney is coupled with an interest and therefore irrevocable. Nonborrower Trustor shall immediately reimburse Beneficiary for all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Beneficiary in managing the Property, collecting the Rents, or collecting the Secured Revolving Promissory Note after an Event of Default.

1.9 Representations and Warranties. Nonborrower Trustor represents and warrants to Beneficiary 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 Lease of all or any part of the Property 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 Beneficiary from or limit it in exercising its rights under this Deed of Trust; and (c) it will not execute any other assignment or pledge of the Rents or of its interest in any Lease of all or any part of the Property and will not execute any agreement that might prevent Beneficiary from or limit Beneficiary in exercising its rights under this Deed of Trust.

EXHIBIT

_____, 20____ _____

_____

Print Name of Entity (if any)

DO NOT SIGN

By _____

Name: _____

Title: _____

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

MEMORANDUM OF FRANCHISOR'S RIGHTS IN FRANCHISE LOCATION PROPERTY AND LEASE

MEMORANDUM OF FRANCHISOR'S RIGHTS IN FRANCHISE LOCATION, PROPERTY AND LEASE
EXHIBIT H

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

MEMORANDUM OF FRANCHISOR'S RIGHTS IN FRANCHISE LOCATION PROPERTY AND LEASE

THIS MEMORANDUM OF FRANCHISOR'S RIGHTS IN FRANCHISE LOCATION PROPERTY AND LEASE (this "Memorandum") is entered into as of _____, 20____ by and between Beyond Franchising Inc., a California corporation ("BFI") and _____ ("Property Owner") with reference to the following facts:

EXHIBIT

A. _____ ("Franchisee") has entered into an unrecorded Franchise Agreement with BFI (the "Franchise Agreement") and intends to operate a franchised Beyond Food Mart® convenience store on all or a portion of real property owned by Property Owner that is commonly known as _____ and more particularly described in Exhibit 1 (the "Property"). Property Owner may be Franchisee or an affiliate of Franchisee or an unrelated third party.

DO NOT FILL

B. Unless Franchisee is the Property Owner, Franchisee has leased or will lease a portion of the Property (the "Franchise Location") from Property Owner pursuant to an unrecorded written lease for a term of _____ years commencing _____, 20_____ (the "Lease") and will develop, build out, equip, and operate a Beyond Food Mart® on and at the Franchise Location, using BFI's trade name, trade or service marks, and trade dress.

C. To protect BFI's intellectual property rights, interests, and goodwill, the Franchise Agreement and an unrecorded Addendum that is made a part of any Lease (the "Addendum") (i) provide that BFI has a priority interest in and rights to take over Franchisee's interest in the Franchise Location, the Lease, and the furniture, fixtures, equipment, inventory, signs and signage, displays, and other personal property used in the operation of the Beyond Food Mart® at the Franchise Location (all, collectively, the "FFE"), including (without limitation) all personal property that includes or constitutes BFI's intellectual property, trade identity, or trade dress (the "IP") and (ii) grant BFI or its nominee the right to take possession of the Franchise Location and any or all of the FFE under certain circumstances, including (without limitation) upon termination or expiration of the Franchise Agreement or the Lease.

D. Recognizing the benefit Property Owner obtains from the development and operation of a Beyond Food Mart® at the Franchise Location, Property Owner has granted BFI the priorities and rights in Franchisee's interest in the Franchise Location and the FFE as provided in the Franchise Agreement and the Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, BFI and Property Owner hereby confirm and give notice of:

1. OPTION TO ASSUME LEASE. Property Owner has granted BFI the option to assume Franchisee's interest under the Lease and take possession of the Franchise Location (a) if the Franchise Agreement expires or is terminated for any reason, (b) at any time when Franchisee is in default under the Franchise Agreement, (c) if Property Owner and Franchisee agree to terminate the Lease for any reason other than as a result of Property Owner's exercise of its sole right to terminate because of damage to or destruction of the Franchise Location or the Property or a taking of the Property by eminent domain, (d) at any time when Franchisee is in default under the Lease, or (e) if Franchisee has not exercised a right to renew or extend the Lease within the time provided in the Lease (collectively, the "Assumption Option"). The Assumption Option commences on the occurrence of an event described in clause (a) or (b) or the date Property Owner delivers to BFI notice of the occurrence of an event described in clause (c), (d), or (e) and continues for 30 days. In the Franchise Agreement, Franchisee has granted BFI the rights described in the Assumption Option.

2. RIGHT OF FIRST REFUSAL TO PURCHASE. Property Owner has granted BFI a right of first refusal to purchase Property Owner's interest in all or any portion of the Property or any improvements on it if Property Owner chooses to dispose of all or any part of the Property or all or any part of the improvements on the Property. This right of first refusal commences on the date Property Owner delivers to BFI notice of the proposed sale and continues for 30 days.

3. OPTION TO PURCHASE OR LEASE FROM FRANCHISEE PROPERTY OWNER. If Property Owner is also Franchisee, Property Owner has granted BFI or its nominee on terms and conditions set forth in the Franchise Agreement the right to purchase or lease the Property if the Franchise Agreement is terminated. The right to purchase or lease set forth in the Franchise Agreement commences on the date the Franchise Agreement is terminated and continues for 30 days.

4. BFI'S ASSIGNMENT OF LEASE. If BFI exercises its right to assume the Lease, BFI has been granted the right to assign or sublet the Lease to an affiliate of BFI or a franchisee approved by BFI by delivering written notice of the assignment or subletting and a copy of a written assignment and assumption or sublease signed by or on behalf of the affiliate or franchisee, without charge or penalty. Upon any assignment, BFI is released from any further obligations under the Lease. Any assumption of the Lease by BFI or subsequent assignment of the Lease by BFI will not release Franchisee from its obligations under the Lease that predate BFI's assumption.

5. FFE AND IP. Franchisee has granted BFI the right to acquire the FFE set forth in detail in the Franchise Agreement upon Franchisee's cessation of operation of the Franchise Location as a Beyond Food Mart® for any reason. Property Owner has granted and acknowledges BFI's priority interest in the FFE and ownership of the IP. Property Owner shall not remove any of the FFE from the Franchise Location for 30 days after Franchisee's right to occupy the Franchise Location expires or is terminated and during that period Property Owner shall upon no less than 48 hours notice give BFI access to every portion of the Franchise Location and the Property and permit BFI to remove any or all of the FFE. Property Owner waives and relinquishes any lien or other rights it might otherwise have in the FFE.

6. FRANCHISE AGREEMENT OR ADDENDUM PREVAILS. If there is any inconsistency or conflict between the provisions of this Memorandum and the provisions of the Franchise Agreement or the Lease (including, without limitation, any Addendum to it) pertaining to rights or obligations described in this Memorandum, the Franchise Agreement or Lease, as the case may be, shall govern and prevail.

7. COUNTERPARTS. This Memorandum may be executed in any number of counterparts, all of which together shall constitute one and the same instrument.

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

BFI
BEYOND FRANCHISING INC.,
a California corporation

By_____
Name: _____
Title: _____

PROPERTY OWNER

_____
_____
(Print Name and, if entity, jurisdiction of formation)

By_____
Name: _____
Title: _____

By_____
Name: _____
Title: _____

EXHIBIT
DO NOT SIGN

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

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

LENDER'S CONSENT TO FURTHER ENCUMBRANCE, LEASEHOLD ASSIGNMENT(S), AND FIXTURE WAIVER AND NONDISTURBANCE AGREEMENT

LENDER'S CONSENT TO FURTHER ENCUMBRANCE, LEASEHOLD ASSIGNMENT(S), AND FIXTURE WAIVER AND NONDISTURBANCE AGREEMENT

LENDER'S CONSENT TO FURTHER ENCUMBRANCE, LEASEHOLD ASSIGNMENT(S), AND FIXTURE WAIVER AND NONDISTURBANCE AGREEMENT

BASIC FACTS

LENDER: _____

SECURED PROPERTY ADDRESS: _____

SECURED PROPERTY LEGAL DESCRIPTION: See Exhibit 1

SECURED PROPERTY OWNER: _____

BORROWER: _____

FRANCHISEE: _____

FRANCHISE AGREEMENT DATE: _____

FRANCHISE LOCATION ADDRESS: _____

LENDER'S DEED OF TRUST: _____

- DATE: _____
- TRUSTOR: _____
- TRUSTEE: _____
- BENEFICIARY: _____
- ORIGINAL PRINCIPAL AMOUNT: _____
- RECORDING INFORMATION: _____

BEYOND FRANCHISING INC.'S DEED OF TRUST, ASSIGNMENT OF RENTS, AND FIXTURE FILING

- DATE: _____
- TRUSTOR: _____
- TRUSTEE: Chicago Title Insurance Company
- BENEFICIARY: Beyond Franchising Inc.

SECURED REVOLVING PROMISSORY NOTE

- DATE: _____
- ORIGINAL PRINCIPAL AMOUNT: _____

FRANCHISE LOCATION LEASE, IF ANY

- LANDLORD: _____
- DATE: _____

OTHER LEASES: See Schedule 1

EXHIBIT
DO NOT
FILL

THIS LENDER'S CONSENT TO FURTHER ENCUMBRANCE, LEASEHOLD ASSIGNMENT(S), AND FIXTURE WAIVER, AND NONDISTURBANCE AGREEMENT ("Lender's Consent") is made with reference to the following facts:

A. Beyond Franchising Inc., a California corporation ("BFI") is the franchisor and the franchisee identified above ("Franchisee") is the franchisee under the unrecorded Beyond Food Mart® Franchise Agreement identified above (the "Franchise Agreement") for a Beyond Food Mart® that Franchisee will develop and operate at the franchise location address set forth above (the "Franchise Location"). The Franchise Agreement gives BFI certain rights to assume the tenant's interest in any lease of the Franchise Location (the "Franchise Location Lease"), certain rights in and to the furnishings, fixtures, and equipment described in Schedule 2 (the "FFE") that will be installed at the Franchise Location, and certain rights of first refusal set forth in the Franchise Agreement and, by Addendum, in the Franchise Location Lease (the "RFR's").

B. BFI will loan Franchisee funds to acquire and install the FFE at the Franchise Location (the "Loan") and Franchisee will give BFI a Secured Revolving Promissory Note (the "Secured

Revolving Promissory Note") that is to be secured by (i) a Deed of Trust with Assignment of Rents and Fixture Filing to the Secured Property identified above (the "Secured Property"), which may be the Franchise Location or other real property the Secured Property Owner named above (who may be Franchisee, an affiliate of Franchisee, or a third party) ("Owner") has pledged for that purpose, (ii) a Uniform Commercial Code Financing Statement for the FFE, and (iii) Franchisee's unrecorded conditional assignment to BFI of the Franchise Location Lease.

C. If the Secured Property is not the Franchise Location, BFI also requires as a condition to making the Loan that Owner conditionally assign to BFI as additional security for the Secured Revolving Promissory Note Owner's right, title, and interest as landlord under any other leases of the Secured Property (the "Other Leases").

D. Lender has or will lend funds to Franchisee or Owner and holds or will hold a lien secured by the Secured Property and an assignment of rents and/or conditional assignment of lease(s) of the Secured Property. Lender recognizes the benefit of the development and operation of a Beyond Food Mart® franchise at the Secured Property. Lender is willing to consent to Owner's further encumbering the Secured Property for BFI's benefit and to BFI having the rights described in this Lender's Consent.

1. Consent to Further Encumbrance. Lender consents to Owner's granting BFI a junior security interest in the Secured Property and consents to the transfer of the Secured Property to BFI, subject to Lender's senior Deed of Trust, if BFI forecloses on BFI's Deed of Trust.

2. Consent to BFI's Right to Assume Lease and Conditional Assignment of Leasehold Interest(s). Lender consents to the (a) grant to BFI of the right to assume the Franchise Location Lease (including, without limitation, any options to extend or renew the term) on the terms and conditions set forth in an Addendum to Franchise Location Lease, including (without limitation) the right to take possession of and occupy the Franchise Location and to further assign the Franchise Location Lease and (b) conditional assignment of the Franchise Location Lease and any Other Leases to BFI as additional security for the Loan.

3. Recognition.

A. Lender agrees to recognize BFI as the successor tenant under the Franchise Location Lease if BFI exercises the rights given it in the Franchise Agreement and in the Addendum to the Franchise Location Lease to succeed to Franchisee's interest in the Franchise Location Lease.

B. Lender agrees to recognize BFI as the successor landlord under the Franchise Location Lease and any of the Other Leases if BFI exercises the rights given it in BFI's Deed of Trust.

4. Fixture Waiver. Lender 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 or any of the improvements on the Secured Property 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.

5. Nondisturbance. Lender agrees that possession of the Franchise Location by Franchisee, BFI, or any assignee from BFI, as the case may be, shall not be disturbed so long as BFI or its

assignee as tenant under the Franchise Location Lease is not in default under the Franchise Location Lease and attorns to the record owner of the Franchise Location.

6. Rights of First Refusal. Lender agrees to the grant of the RFR's to BFI.

7. Legal Expenses. Should any action or proceeding be brought to interpret, enforce, or declare rights pursuant to any portion of this Lender's Consent the prevailing party shall be entitled to recover reasonable attorney's fees as costs of suit.

8. Electronic and Digital Signatures. Electronic and digital signatures shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, Lender has executed this Lender's Consent as of the _____.

LENDER

_____

_____

EXHIBIT

By _____

DO NOT SIGN

Name: _____

Title: _____

SCHEDULE 1

OTHER LEASES

SCHEDULE 2

FFE

EXHIBIT 1

LEGAL DESCRIPTION

FRANCHISEE OWNER'S ASSUMPTION, GUARANTY, CONFIDENTIALITY AGREEMENT, AND ASSIGNMENT

FRANCHISEE OWNER'S ASSUMPTION, GUARANTY, CONFIDENTIALITY AGREEMENT, AND ASSIGNMENT

EXHIBIT DO NOT FILL ("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 (i) extension, modification, or alteration of the Franchise Agreement; or (ii) 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 Owner's spouse or domestic partner has a community property or common law or other interest in the Beyond Food Mart® franchise business;

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 or any similar state or federal statute or common law principle 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

FILL

_____ / _____
Telephone: home and cellular

_____
Email

CONSENT OF SPOUSE/DOMESTIC PARTNER

CONSENT OF SPOUSE/DOMESTIC PARTNER

EXHIBIT

I, _____, hereby certify that I:

1. Am the spouse/domestic partner of _____ ("Owner"), who owns an interest in _____ 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 Beyond Franchising Inc., a California corporation ("BFI") (the "Owner's Agreement").

DO NOT FILL

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 common law 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 _____.

EXHIBIT
DO NOT SIGN

_____
Signature

_____
Print Name

FRANCHISE TERMINATION AND COVENANT SURVIVAL AGREEMENT AND RELEASE

FRANCHISE TERMINATION AND COVENANT SURVIVAL AGREEMENT AND RELEASE

THIS FRANCHISE TERMINATION AND COVENANT SURVIVAL AGREEMENT AND RELEASE is made and entered into as of the ____ day of_____ 20____ by and among Beyond Franchising Inc., a California corporation ("BFI"), _____ ("Franchisee"), and _____ ("Owner") with reference to the following facts:

EXHIBIT

A. BFI is the franchisor and Franchisee is the franchisee under that certain Beyond Food Mart Franchise Agreement dated as of _____, 20____ (the "Franchise Agreement"). The Franchise Agreement gives Franchisee the right to own and operate one Beyond Food Mart® (the "Franchised Business") at _____ (the "Franchise Location") for a term of 20 years from the date the Franchise Location opened to the public. Owner is the owner of Franchisee and has personally guaranteed Franchisee's performance under the Franchise Agreement.

DO NOT

B. Owner and Franchisee have asked BFI to terminate the Franchise Agreement because [describe circumstances justifying termination, for example Franchisee's sale of the Franchised Business to a buyer that will enter into a new Franchise Agreement with BFI].

C. Subject to survival of certain provisions of the Franchise Agreement that are stated to survive its expiration, BFI is willing to terminate the Franchise Agreement on the terms and conditions set forth below.

FILL

NOW, THEREFORE, in consideration of the covenants and conditions set forth below, and their performance and fulfillment, BFI, Franchisee, and Owner hereby agree:

1. TERMINATION OF FRANCHISE AGREEMENT.

1.1 Termination. Except as provided in Section 1.2, the Franchise Agreement and Franchisee's license and right to use any trade name, marks, trade secrets, processes, methods, techniques, or other confidential or proprietary information developed by or belonging to BFI or its licensor, Beyond International, LLC (collectively, the "IP") is terminated as of _____ (the "Termination Date") and from and after the Termination Date, Franchisee shall:

a. Cease to use any of the IP in any manner, return all signs to BFI as, when, and if BFI requires, and refrain from using any trade name, trade or service mark, trade identity or identifier of any kind or nature whatsoever, or trade dress that is similar to any of the IP as it exists on the Termination Date;

b. Refrain from operating a convenience store at the Franchise Location or on the real property where it is located (the "Property") for three years from the Termination Date (the "Follow On Period") and, if Franchisee or Owner owns the Property, permitting any third party from operating a convenience store on the Property during the Follow On Period; and

c. Execute all documents necessary to give notice of cessation of its use of any trade name belonging to BFI, including (without limitation) a statement of abandonment of fictitious or assumed business name.

1.2 Continuing Obligations.

A. Franchisee and Owner confirm and acknowledge that notwithstanding termination of the Franchise Agreement Franchisee shall continue to be (i) liable for performance of all its obligations under the Franchise Agreement or any other agreement between it and BFI or in any way related to the Franchised Business that pre-date the Termination Date; and (ii) bound by those provisions of the Franchise Agreement that are stated to survive termination of the Franchise Agreement, including (without limitation) the requirements that Franchisee:

a. Maintain the confidence of and not disclose or use any information disseminated to Franchisee regarding the Franchised Business or any trade secrets or confidential or proprietary information belonging to BFI or any of its affiliates; and

b. Indemnify, defend, and hold harmless BFI and its officers, directors, shareholders, agents, and employees from and against any and all losses, claims, costs, demands, liabilities, obligations, damages, causes of action, actions, and expenses of any kind and nature whatsoever (including, without limitation, attorney's fees) arising out of or related in any manner whatsoever to the Franchised Business, Franchisee's lease, occupancy, or use of the Franchise Location, or Franchisee's use or sale of any fixtures or equipment located in or on the Franchise Location or used in the Franchised Business.

c. Franchisee and Owner shall do all things within their respective power or the power of any of their affiliates necessary or desirable to prevent any subsequent user of the Property from obtaining, using in any way, or capitalizing on the IP or the goodwill of the Franchised Business, all of which belongs to BFI and is not part of the Property or any assets or goodwill Franchisee, Owner, or the owner or any other occupant of the Property owns, can sell, or is selling. Franchisee and Owner, jointly and severally, shall indemnify BFI and its affiliates from and against any and all loss or expenses any of them may incur as a result of any use of the IP or the goodwill of the Franchised Business by any future owner or occupant of the Property.

B. Owner acknowledges and agrees that any and all of Owner's obligations and BFI's rights under any Guaranty or Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement and Assignment between Owner and BFI is not terminated and continues in full force and effect.

1.3 Conditions to Termination. Termination of the Franchise Agreement as provided in this Agreement shall not be effective unless and until each and all of the following conditions (the "Termination Conditions") have been fulfilled:

a. Franchisee has removed from the Franchise Location and delivered to BFI or destroyed, as BFI requires, each and every item that contains or constitutes the IP, including (without limitation) removal and delivery to BFI in good condition and repair of all signs, signage, displays, or personal property of any kind that includes or displays any of the IP;

b. Franchisee has performed all of its obligations under and fulfilled all conditions of the Franchise Agreement to be fulfilled by it on or prior to the Termination Date; and

c. Franchisee has delivered to BFI any consideration if, as, and when required by this Agreement.

[1.4 Consideration to BFI. Franchisee and Owner acknowledge and agree that termination of the Franchise Agreement will cause BFI very significant economic loss and loss of goodwill. Accordingly, Franchisee and Owner, jointly and severally, agree [add provisions for delivery of any consideration to BFI, including nature, amount, and payment terms.]]

2. RELEASE.

2.1 GENERAL RELEASE OF RELEASED PARTIES. As required by the Franchise Agreement, on and as of the Termination Date, Franchisee and Owner, for it and him, her, or their self and for it or his, her, or their shareholders, officers, directors, spouse (as manager of any community property or common law or other 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 Termination Date (collectively, "Releasors") hereby releases, acquits, and forever discharges BFI and its parents, subsidiaries, affiliates, officers, directors, shareholders, agents, employees, independent contractors, and attorneys and the respective heirs, beneficiaries, executors, administrators, predecessors and successors in interest, and assigns of their officers, directors, shareholders, agents, and employees, and every person or entity with any interest in any of them (collectively, "Released Parties") 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 Termination Date, 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.

2.2 Unknown Claims. Each of Releasors acknowledges and agrees that it he, she, or they intends this Agreement to be effective as a bar to each and all of the Claims, even though it, he, she, or they recognizes that it, he, she, or they may be releasing Claims of which it, he, she, or they is totally unaware or unsuspecting and that it, he, she, or they might be unwilling to release if known. Accordingly, each of Releasors expressly agrees that this Agreement 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, him, her, or them 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, him, her, or them 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 that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

2.3 No Assignment. Each of Releasors represents and warrants to each of the Released Parties that it, he, she, or they 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 Agreement. 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, him, her, or them.

3. LEGAL FEES. Should any action or proceeding be brought to enforce rights pursuant to this Agreement, 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 Agreement.

5. SUCCESSORS. The terms of this Agreement shall apply to, be binding upon, inure to the benefit of, and be enforceable by the respective successors in interest and assigns of each of Releasors and each of the Released Parties.

6. COUNTERPARTS; ELECTRONIC SIGNATURES. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one original agreement. This Agreement 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. Digital or electronic signatures and signatures on counterparts transmitted electronically (including, without limitation, in a PDF or JPEG file) or by facsimile transmission shall be as effective as an original.

7. ENTIRE AGREEMENT. This Agreement contains the entire agreement and understanding of the parties regarding the termination of the Franchise Agreement and supersedes all prior negotiations, discussions, and agreements.

8. REPRESENTATION. Franchisee and Owner acknowledge and warrant that it, he, she, or they has been represented by counsel of its, his, her, or their own choosing in connection with the execution of this Agreement. Accordingly, although this Agreement was initially prepared by BFI's counsel, it shall not be construed more strictly against one party than another.

9. SPECIFIC PERFORMANCE. Should Franchisee or Owner fail to comply with any of its, his, her, or their obligations pursuant to Article 1 other than its obligations to pay money, BFI shall be entitled to a decree of specific performance enforcing those provisions and/or an injunction against continued conduct in violation of this Agreement.

10. AUTHORITY. Each signatory represents and warrants that it, he, she, or they has full authority to execute this Agreement on behalf of any entity for which it, he, she, or they signs and that by its, his, her, or their signature below that entity is bound.

IN WITNESS WHEREOF, BFI, Franchisee, and Owner have executed this Agreement as of the date first above written.

BFI	**FRANCHISEE**
	_____
BEYOND FRANCHISING INC., a California corporation	_____
By_____	By_____
Name: _____	Name: _____
Title: _____	Title: _____
OWNER	By_____
	Name: _____
	Title: _____
_____ Signature	
Name: _____	

EXHIBIT
DO NOT SIGN

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				
Address				
Telephone				
Email				
Indicate all positions held as Manager or Officer, Director, and/or partner				
Percentage of ownership				
Spouse or Domestic Partner	Name			
	Address			
	Telephone			
	Email			

5. Initial Approved Manager is: _____

FRANCHISEE

_____

_____

By_____
Name: _____
Title: _____

EXHIBIT
DO NOT
FILL

STATE ADDENDUM

AMENDMENT TO FRANCHISE AGREEMENT FOR FRANCHISEES COVERED BY CALIFORNIA LAW

Section 3.2 of the Franchise Agreement is amended to add:

Your payment of the initial franchise fee as required by Section 3.2 of the Franchise Agreement shall be deferred until we have completed our initial obligations as described under the headings "Pre-Opening Assistance" and "Training Program" in Item 11 of the Franchise Disclosure Document and the Franchise Location is open for business.

BEYOND FRANCHISING INC.,
a California corporation

By_____
Name: _____
Title: _____
Date: _____

_____
_____

By_____
Name: _____
Title: _____
Date: _____

EXHIBIT
DO NOT SIGN

By_____
Name: _____
Title: _____
Date: _____

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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

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.

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

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

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 5. INITIAL FEES

The California Department of Financial Protection and Innovation has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

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.

The Franchise Agreement contains a liquidated-damages clause. Under California Civil Code Section 1671, certain liquidated-damages clauses are unenforceable.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker, or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

The highest interest rate allowed by law in California is presently 10% annually.

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES
EXHIBIT O

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

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

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

RECEIPT
EXHIBIT P

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 requires 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. Mr. Ash Sater	Beyond Franchising Inc. 4300 Edison Avenue Chino, CA 91710	909-465-4101
4. _____	_____ _____ _____	_____

Date of Issuance: December 27, 2023.

See Exhibit A for our registered agents authorized to receive service of process.

I have received the Beyond Franchising Inc. disclosure document dated December 27, 2023, 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 and Rider to Deed of Trust
- H Memorandum of Franchisor's Rights in Franchise Location Property and Lease
- I Lender's Consent to Further Encumbrance, Leasehold Assignment(s), and Fixture Waiver and Nondisturbance Agreement
- J Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment
- K Consent of Spouse/Domestic Partner
- L Franchise Termination and Covenant Survival Agreement and Release
- M Franchisee Information
- N State Addendum
- O State Effective Dates
- P Receipt

_____
Date

_____
_____
Print Name of Franchisee

_____
Signature

_____
Print Name and Title of Signer 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
EXHIBIT P

RECEIPT

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- M Franchisee Information
- N State Addendum
- O State Effective Dates
- P Receipt

_____
Date

_____
_____
Print Name of Franchisee

_____
Signature

_____
Print Name and Title of Signer 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

RECEIPT
EXHIBIT P