POCKET DELI FRANCHISING, LLC
1320 Arrow Point Drive, Suite 501-90
Cedar Park, TX 78613
www.pocketdeli.com
(888) 538-5559

CALIFORNIA FRANCHISE DISCLOSURE DOCUMENT

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POCKET DELI FRANCHISING, LLC
(A Texas Limited Liability Company)
1320 Arrow Point Drive, Suite 501-90
Cedar Park, TX 78613
(888) 538-5559
franchising@pocketdeli.com
www.pocketdeli.com

The franchise described is known as "Pocket Deli~~"™.~~"® ("Pocket Deli"). Pocket Deli is involved in the business of ~~providing high-quality~~training people to open involving fast food restaurant and ~~deli products to customers, fresh and on demand.~~allowing select trainees to become Pocket Deli Franchisees. Pocket Deli Franchisees provide customers with sandwiches ~~– made of bread pockets that are~~ using daily, baked~~-~~ from~~-~~scratch ~~daily, fresh~~ bread, chopped vegetables, ~~the finest deli~~ meats~~,~~ and ~~delectable~~ cheeses ~~– prepared~~stuffed on demand for the freshest pockets and deli fare available anywhere.

The total investment necessary to ~~begin operation of~~receive the initial fast-casual business and industry training as well as the initial required opening expenses for the select trainees that become a Pocket Deli Single Unit franchised business is $145,250.00 to $206,500.00. ~~This~~ The initial fee includes ~~an Initial Fee of $35,000.00 to secure Your chosen Territory along with a~~the Fifteen Thousand Dollars ($15,000~~.00~~) Preliminary Agreement Fee, that must be paid to Us~~.–~~ for the Site Manual and associated training; and a Twenty Thousand Dollars ($20,000.00) for the Establishment Agreement Fee, that must be paid to Us for the fast-casual Business and Industry Manual and associated training, plus for those select trainees who become Pocket Deli Franchisees the Pocket Deli initial Inventory package amount of Twelve Thousand Dollars ($12,000.00) to secure Your chosen Territory.

The total investment necessary to begin operation of a Pocket Deli Area Development franchise business is $~~185~~220,250~~.00~~ to $~~351~~386,500.~~00.~~ This includes the Initial ~~Fee~~Fees for the first unit and the ~~50% payment~~ Development Fee of Seventy-five Thousand ($75,000) for all additional ~~Initial Fees~~units that You are agreeing to open over time. The Development Fee must be paid to Us at the time You sign the ~~initial~~first Ongoing Franchise Agreement.

This Disclosure Document summarizes certain provisions of Your Ongoing 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 Us 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 for You. To discuss the availability of disclosures in different formats, contact Allen Zarou at 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613, or email at franchising@pocketdeli.com or telephone him at (888) 538-5559.

The terms of Your contract will govern Your franchise relationship. Do not 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.

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

Issuance Date: ~~October 9, 2019~~March 20, 2020

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit B.
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?	Item 21 or Exhibit A 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 Pocket Deli 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 Pocket Deli franchisee?	Item 20 or Exhibit B 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*

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

<u>Business model can change</u>. 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.

<u>Supplier restrictions</u>. 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.

<u>Operating restrictions</u>. 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.

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

<u>Renewal</u>. 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.

<u>When your franchise ends</u>. 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 H.

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 Williamson County, ~~Texas~~TX. 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 Williamson County, ~~Texas~~TX than in your own state.

2. **Spousal Signature Required.** Your spouse and the spouse of all owners, if franchisee is an approved business entity, must sign a spousal consent, making the spouse jointly and severally liable for the obligations under the franchise agreement, placing the spouse's own personal assets at risk.

3. **New Franchisor.** This new Franchisor has been in business for such a short period of time that its franchises are a higher risk investment than franchisors with a longer-term operating history.

4. **Minimum Sales Requirement.** You must maintain minimum sales performance levels. If you fail to do so, you could lose your exclusive territory, or the franchisor could terminate your agreement and you could lose your investment.

~~5. **Franchise Brokers.** We may use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. If applicable in your state, 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 make sure to do your own investigation of the franchise.~~

~~6.~~ **State Specific Risks to Consider.** Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" for your state (See Exhibit H).

TABLE OF CONTENTS

EXHIBITS

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

To simplify the language in this Disclosure Document, the words "We," "Our" and "Us", "PDF" and "Pocket Deli" refer to Pocket Deli Franchising, LLC, the Franchisor and trainer of this business. "You" and "Your" refer to the person who buys the ~~franchise~~training, whether You are an individual, a Corporation, Limited Liability Company or other business entity. If You are a Corporation, Limited Liability Company or other business entity, certain provisions of this Disclosure Document also apply to Your owners. Our agent for service of process is disclosed at the end of this Disclosure Document in Exhibit H.

The Franchisor and its Affiliates

We were organized as a Texas Limited Liability Company in Texas on April 5, 2019. We have no parents. Our principal business address is 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613. We do business under our company name and the ~~name~~names "Pocket Deli~~".~~", "Pocket Deli Franchising", and "Pocket Deli". We have offered franchises since May 14, 2019.

We grant ~~franchises to~~ training to learn the fast food restaurant business and allowing select trainees who are qualified persons or business entities franchises to in connection with the service mark ~~"~~Pocket Deli~~"~~® and other related logos (collectively referred to as the "Marks"). We refer to these businesses as "Pocket Deli Businesses." ~~Pocket Deli~~ Our Franchisees conduct Pocket Deli business which provide customers with sandwiches ~~– made of bread pockets that are~~ using daily, baked~~-~~ from~~-~~ scratch ~~daily, fresh~~ bread, chopped vegetables, ~~the finest deli~~ meats~~,~~ and ~~delectable~~ cheeses ~~– prepared~~stuffed on demand for the freshest pockets and deli fare available anywhere. We refer to the Pocket Deli Businesses You will operate as the "Franchised Business." You must operate the Franchised Business in accordance with our standards, methods, procedures and specifications, which We refer to as our "System" and which are more particularly described in our Ongoing Franchise Agreement.

Pocket Deli Franchising, LLC has never operated a Pocket Deli Business. Other than the overall Site and Establishment training in the fast-casual industry, We are not engaged in any other line of business, nor have We ever offered franchises in another line of business.

General Description of the Franchise, Market, and Competition

The franchise described is known as ~~"~~Pocket Deli~~"™ .~~® ("Pocket Deli"). Pocket Deli is involved in the business of ~~providing high quality food~~sandwiches using daily, baked from scratch bread, chopped vegetables, meats and cheeses stuffed on demand for the freshest pockets and deli ~~products to hungry customers everywhere, fresh and on demand~~fare available anywhere. The market for the goods and/or services that are offered by our franchised Businesses would be categorized as ~~an established~~a highly competitive market. The marketplace for the quick service industry and consumers begging for unique offerings will allow Pocket Deli franchisees to make waves with their high quality, fresh products ~~they provide, and they will~~provided earn their place, while saturated, amongst their competitors~~.~~.. Pocket Deli Franchisees provide customers with sandwiches using daily, baked from scratch bread, chopped vegetables, meats and cheeses stuffed on demand for the freshest pockets and deli fare available anywhere. The ~~quick service industry~~ fast-casual is worth an estimated Two Hundred and Twenty-Five Billion Dollars ($225,000,000,000.00~~).~~).. You will face competition from other quick service restaurants, fast-casual locations with drive~~-~~ thrus, and food and drink distributors.

Regulations

The ~~quick service industry~~fast-casual businesses, as with any business, is regulated. Many of the laws, rules and regulations that apply to business generally, such as the Americans with Disabilities Act, Federal wage and hour laws, the USA PATRIOT Act & Executive Order 13224, and the Occupational Safety and Health Act, also apply to ~~quick service industry businesses.~~fast-casual businesses. If You apply to become and are awarded a Pocket Deli franchise, You will be required to comply with all Federal, State, and local laws, rules and regulations, including ~~completing a background check,~~ Must be completed Forty (40) days after signing the Lease and includes a drug test, Child Protective Services check, DOJ report, etc., and will timely obtain, maintain and renew when required all permits, certificates, and licenses necessary for the proper operation of Your Pocket Deli Franchise, including qualification to do business, fictitious trade or assumed name registration.

Additionally, You must comply with all rules, laws and regulations relating to the ~~quick service~~restaurant industry, including but not limited to, regulations by the U.S. General Services Administration, and those laws issued and enforced by state and local health departments.

You should consider these and other applicable laws and regulations when evaluating Your ~~purchase~~opening of a fast casual. If You apply to become and are awarded a Pocket Deli franchise~~. Under the Franchise Agreement~~, You alone are responsible for complying with all applicable laws and regulations despite any advice or information We may give You under the Ongoing Franchise Agreement.

ITEM 2 - BUSINESS EXPERIENCE

CEO: **Allen Zarou**

Allen Zarou is the CEO of Pocket Deli Franchising, LLC and has been since its inception along with being one of the founders of Pocket Deli ~~in Rancho Cordova, CA since 2014. He additionally owns and operates two other car wash businesses, Car Wash Express in Carmichael, CA since~~ . Allen has 35+ years of professional experience with knowledge accrued and secured in management, operations, strategic planning, business development, sales management, staff training and development, recruitment, training process development, sales, marketing, regulatory compliance, and client relations. Pocket Deli is just one of his highlights on Allen's vast resume of accomplishments. He concurrently owns two other car wash businesses and has been an exemplary model of a realtor for over 16 years.~~2018 and Citrus Heights Smog and Wash in Citrus Heights, CA since 2005. Allen has also been a realtor concurrently while operating his other businesses at Re/Max Gold in Roseville, CA and Fair Oaks, CA since 2010.~~

Allen has held various positions in leadership roles in the real estate industry and was also entrusted in training and bestowing his knowledge and practices to new employees and agents. Allen's dedication to his positions and responsibilities has brought in millions of dollars of profit for almost every company he has worked for or owned. His personal businesses have benefitted immensely from his savvy business decisions and dedication to ensuring his employees are given the right tools to succeed.

Allen is a charismatic and natural born leader, who's humble personality ensures he will always put others needs before his. The above skills combined with his personality and professional skillset acquired through decades of hard work allows for extremely positive foresight and reassurance to future Franchisees in the Pocket Deli system.

Training Director: **Brandon Blackerby**

Brandon Blackerby is the Training Director of Pocket Deli Franchising, LLC and has been since its inception. He is tasked with ensuring franchisees are properly trained and follow each rule and guideline set by Pocket Deli. Brandon has been with Pocket Deli ~~in Rancho Cordova, CA~~ since ~~January~~

2015 as the General Manager and has firsthand experience with the Pocket Deli Training system. ~~Prior to working with Pocket Deli, he was the general manager of Beach Hut Deli in Folsom, CA from January 2012 – January 2015~~His successful completion of the course has allowed him to positively affect Pocket Deli by maintaining and exceeding expectations through increasing sales, identifying customer demands, preparing annual forecasts and budgets, enforcing sanitation standards and procedures, along with ensuring day to day operations run smoothly. Brandon has the ability to easily build rapport with anyone who walks through the front door of Pocket Deli. He showcases his 15 years of customer service every time he represents Pocket Deli whether it be taking a customer's order or aiding in the design of a new floor plan. Brandon will always ensure anyone he comes into contact with will leave happier than they came in.

ITEM 3 - LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 - BANKRUPTCY

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

ITEM 5 - INITIAL FEES

~~Franchise Agreement~~

There is no Initial Franchise Fee. The Franchise Fee is Zero Dollars ($0.00).

You must however, pay Us ~~an~~ Initial ~~Fee~~Fees of ~~$~~Thirty-five Thousand Dollars ($35,000.00) to secure ~~Your chosen Territory, which includes the~~ your Preliminary Agreement, to assist in ~~site~~Site selection and ~~leasing, training~~Leasing Training and ~~use of the Confidential Information fees~~the Business Establishment Agreement to ~~purchase a Single Unit Franchise.~~ assist in fast-casual Industry Training.

You will pay ~~the~~these Initial ~~Fee~~Fees in two installments, the first installment is the Preliminary Agreement Fee of Fifteen Thousand Dollars ($15,000.00), which is due at the signing of the Preliminary Agreement, and the second installment ~~of~~for the ~~Initial Fee's balance~~Establishment Fee of Twenty Thousand Dollars ($20,000.00) is due when executing ~~Your Franchise~~your Establishment Agreement~~, unless~~. (Unless modified by a State Addendum, attached as Exhibit G to this Disclosure Document~~. This fee is~~ .) These Fees are fully earned upon signing ~~this~~the associated Agreement and are therefore 100% non-refundable. Upon successful completion of the Preliminary and Establishment Agreements, You may apply and We may grant You the right to enter into an Ongoing Franchise Agreement with Us. There is no additional upfront payment to Us for the Ongoing Franchise Agreement. All fees are fully earned upon signing their applicable Agreement, and thus are 100% non-refundable.

Preliminary Agreement

Before entering into ~~a Franchise~~an Establishment Agreement, You and Pocket Deli will enter into a Preliminary Agreement~~.~~ (see Exhibit C to review the Preliminary Agreement). At that time, You will pay Us a Preliminary Agreement Fee in the amount of Fifteen Thousand Dollars ($15,000.00), which makes up a part of the Initial ~~Franchise fee~~Fees shown above. You will also agree to enter into and sign ~~a Franchise~~an Establishment Agreement with Us at that time.

(~~See~~see Exhibit ~~E~~D to review the ~~Franchise~~Establishment Agreement~~).~~.) Upon payment of the Preliminary Agreement Fee, You will be provided with a copy of ~~our~~Our "Site ~~Development~~ Manual" that contains ~~(1)~~: Site Selection information, including~~,~~ among other items, ~~Pocket Deli's current~~ site specifications and leasing background information, ~~Pocket Deli's current standard~~a sample form real property lease, and instructions for preparing a trade area study and competition survey. ~~(Pocket Deli may modify these forms and/or specifications at any time in its sole discretion); and 2) Establishing a Pocket Deli Franchise business start-up timetable and preparation for opening information, including among other things, securing required accounts, licenses and permits, décor specifications and required fixtures, furnishings, equipment, supplies and supplier information.~~ The "Site ~~Development~~ Manual" will be yours to use as long as You are ~~affiliated~~still in training with Pocket Deli. ~~You also will be entitled to receive assistance from the Pocket Deli staff and approved commercial real estate team and vendors that can aid You in the selection of Your site. Upon Pocket Deli's approval of Your location, this fee also allows You to use under certain limited conditions, the Pocket Deli Marks (The Pocket Deli Marks are described in Item 13 of this Disclosure Document).~~ The entire Preliminary Agreement Fee ~~will be applied to Your initial Franchise Fee and~~ is non-refundable ~~except as described below.~~. (See Exhibit ~~D~~C to review the Preliminary Agreement.)

~~The~~ Establishment Agreement

The Establishment Agreement Fee of Twenty Thousand Dollars ($20,000) which is the balance of the Initial ~~Fee~~Fees, discussed above, is due to Us in a lump sum when ~~You~~you sign the ~~Franchise~~Establishment Agreement~~, unless~~. (Unless otherwise stated in the State Addendum attached~~.~~.) The ~~Initial~~ Fee is payment, in part, for expenses incurred by Us in furnishing assistance and services to You as set forth in the ~~Franchise Agreement and for costs incurred by Us, including general sales and marketing expenses, training, legal, accounting and other professional fees. The Initial Fees, as described above, are not uniform for all Franchisees.~~

~~Discounts~~

~~Existing Franchise Discount~~

~~A Ten Thousand Dollar ($10,000.00) discount will be applied to the Initial Fee for existing Franchisees who wish to enter into an~~ Establishment~~Area Development Agreement~~ ~~as well as Internal Managers in a Franchised Business who wish to open their own location(s).~~

~~Military Discount~~

~~An additional 20% discount to the Initial Fee will be applied to members of the U.S. military who would be eligible for VetFran membership.~~

~~Area Development Agreement~~

~~If You chose to enter into, and have been approved for an Area Development Agreement, You must sign the Area Development Agreement simultaneous with the Franchise Agreement for Your first Pocket Deli franchise. When signing an Area Development Agreement, You must pay the Initial Fee for the first franchise plus 50% of the Initial Fee for each additional Pocket Deli business to be developed. When You open each additional franchise under the Area Development Agreement. The balance of the Initial Fee is due to Us in a lump sum when You sign the Franchise Agreement, unless otherwise stated in the State Addendum attached. The Initial Fee is payment, in part, for expenses incurred by Us in furnishing assistance and services to You as set forth in the Franchise~~ Agreement and for costs incurred by Us, including general sales and marketing expenses, training, legal, accounting and other professional fees. The Initial Fees, as they are described above, ~~is~~are uniform for all ~~Franchisees~~Applicants.

~~We offer Multi-Unit Packs in the following arrangements: a 3-Pack at Seventy-Five Thousand Dollars ($75,000.00), a 5-Pack at One Hundred Thousand Dollars ($100,000.00) and a 10-Pack at One Hundred and Eighty Thousand Dollars ($180,000.00).~~

You will be provided with a copy of Our Business Establishment Manual that contains topics such as: establishing an fast-casual business, legal entity types, accounting, marketing, POS systems, start-up timetable and preparation for opening information, including among other things, securing required accounts, licenses and permits, décor specifications and required fixtures, furnishings, equipment, supplies, and potential suppliers.

Ongoing Franchise Agreement

No later than, upon successful completion of the Preliminary and Establishment Agreement Training, prospective franchisee may apply, and We may grant You the right to enter into an Ongoing Franchise Agreement, for no additional fee. Upon granting the Ongoing Franchise Agreement, You will be provided: (1) an Operations Manual to use, which shall remain Our Confidential Information and sole property; (2) Pocket Deli specific Site Approval and Layouts; (3) Pocket Deli specific Business Establishment and buildout assistance; (4) Franchisee and Managers Pocket Deli Training; (5) Pocket Deli Soft Opening and Grand Opening Training for Your staff; and (6) ongoing support and industry knowledge. You and all hired directors and managers must attend the required ~~Training~~Ongoing Franchise Agreement training program. You must pay for all travel expenses, room and board, and any related employee costs during the training program.

Area Development Agreement

If You chose to enter into, and have been approved for, an Area Development Agreement, You must sign the Area Development Agreement simultaneously with the first Ongoing Franchise Agreement for Your first Pocket Deli franchise. Prior to signing an Area Development Agreement, You must have paid the Initial Fees for the first site and establishment training. You will then pay the Development Fee for the total number of Pocket Deli businesses to be developed. The entire balance of the Development Fee of Seventy-five Thousand ($75,000) is due to Us in a lump sum when You sign the Development Agreement. (Unless otherwise stated in the State Addendum attached.) The Development Fee is payment, in part for expenses incurred by Us in furnishing assistance and services to You as set forth in the Development Agreement and for costs incurred by Us, including general sales and marketing expenses, training, legal, accounting and other professional fees, and for holding the development area for you so you can have Your choice of locations within the area. The Development Fees, as described above, is uniform for all Developers, and is 100% non-refundable for any reason.

Opening Inventory Package

Additionally, You will purchase from us an opening inventory package for each Pocket Deli franchised unit. The fee for the opening inventory package is Twelve Thousand Dollars ($12,000.00).

Additional Discounts

A 20% discount to the Initial Fees for U.S. military who would be eligible for VetFran membership.

Refundability

The Initial ~~Fee is~~Fees are non-refundable in whole or in part under any ~~circumstances, after the Franchise Agreement has been signed, except in the event that:~~circumstance.

~~You cancel Your Preliminary Agreement before You sign a lease or purchase contract for Your Pocket Deli, or attend training. This request must be addressed to Pocket Deli Franchising, LLC in writing. Pocket Deli Franchising, LLC will agree to Your request but will condition its agreement upon Your execution of a Mutual General Release Agreement, the form of which is included as Exhibit E-1. When the Preliminary Agreement is terminated by You in this manner,~~

ITEM 6 - OTHER FEES

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

1) ~~Pocket Deli Franchising, LLC will retain $2,500.00 of the Preliminary Agreement Fee. Pocket Deli Franchising, LLC will refund to You a portion of the remaining $12,500 after deducting the amount of Pocket Deli's expenses incurred in connection with assisting You in Your site selection process. In the event Pocket Deli terminates the Preliminary Agreement, which it may do in its sole discretion at any time before You execute a lease or purchase contract for Your Pocket Deli business, Pocket Deli will refund to You the entire Fifteen Thousand Dollars ($15,000.00). You must, however, execute the Mutual General Release Agreement described above prior to receiving any refund.~~

2) ~~If You cancel the Franchise Agreement, in writing, prior to attending Your scheduled training, the balance of Your Franchise Agreement Initial Fees which you have paid will not be refunded to You; or~~

3) ~~If Your Franchise Application is not approved by Us, within Fourteen (14) days the Preliminary Agreement Fee of Fifteen Thousand Dollars ($15,000.00), minus $2,500 administrative fee will be refunded to You; or~~

4) ~~You have a failure on a Lease Contingency. Contained in Your lease, or in the required Lease Rider that Pocket Deli requires, are several contingencies that will allow You, Your landlord or Your seller to terminate Your lease or purchase contract if such contingencies are not met. These contingencies will be included for Your benefit. The types of contingencies that may be in Your lease or purchase contract include: obtaining appropriate zoning approval for the site; obtaining adequate financing for the site; receiving acceptable bids for construction; obtaining required licenses and or pre-approvals; or meeting building code regulations.~~

   ~~In the event, a contingency is not met as described above and termination of the lease or purchase contract occurs, Pocket Deli will not refund the Preliminary Agreement Fee or the Initial Fee to You. These fees will have been fully earned by Pocket Deli as a result of Pocket Deli's lost and deferred opportunity costs, corporate expenses and all efforts performed on Your behalf before the termination of Your lease or purchase contract. Pocket Deli's only obligation to You in the event Your lease or purchase contract is terminated will be to assist You in Your efforts to locate another site and to work with You in Your efforts to develop the replacement site. (See Exhibit D.) Your executed Franchise Agreement will be amended automatically to reflect Your new location if the new location is approved by Pocket Deli.~~

~~Automatic Termination~~

~~If You have not executed a lease or purchase contract acceptable to Pocket Deli within 14 days of the execution of Your Preliminary Agreement (subject to extension by mutual agreement of the parties), then the Preliminary Agreement will terminate automatically. When the Preliminary Agreement terminates automatically in this manner, Pocket Deli will refund $12,500.00 of the Preliminary~~

~~Agreement Fee, less any Pocket Deli actual expenses connected with and arising from the site selection process. Approximately $12,500 of the Preliminary Agreement Fee will be retained by Pocket Deli. Pocket Deli will require that You execute the Mutual General Release Agreement before any funds are refunded to You. If the lease or purchase contract You executed during this period is subject to the satisfaction of any contingencies, the Preliminary Agreement will remain in effect until the contingencies are satisfied. If the lease or purchase contract is ultimately terminated for failure to satisfy its contingencies, You will have an additional 12 months from the date of such termination to enter into an alternative lease or purchase contract before the Preliminary Agreement is subject to automatic termination. If such automatic termination occurs the entire Preliminary Agreement Fee and Initial Fee will be retained by Pocket Deli and You will not be entitled to a refund of any monies paid.~~

~~ITEM 6 - OTHER FEES~~

Below is a detailed description of other recurring or isolated fees or payments that You must pay to Us or that We impose or collect for a third party under the terms of the Ongoing Franchise Agreement. The fees are uniformly imposed unless noted otherwise below in the Remarks column. All Fees are Due Weekly on Tuesday by ACH Auto Debited unless stated differently below.

Name of Fee	Amount	Due Date	Remarks
Royalty Fee[1]	Ranging from Six percent (6%) to Five ~~percent~~Percent (5%)	Tuesday, for the previous Week ending the ~~last full day of the preceding Week On Sunday, for the previous Week ending the~~ Sunday of the preceding Week	For the limited right to use the Pocket Deli trademarks from due date to due date, You will begin paying the First Level at Six percent (6%) of Gross ~~Sales[3]~~Sales as the Royalty Fee; You will begin paying the Second Level once Seven Hundred and Fifty Thousand Dollars is achieved and maintained in Gross Sales, which will reduce the Royalty Fee to Five and a Half percent (5.5%); You will begin paying the Third Level once You achieve and maintain One Million Dollars ($1,000,000.00) and beyond, which will reduce the Royalty to Five percent (5%).
National Marketing Fund[1]	1.5 % of Gross Sales[3] or One Hundred and Fifty Dollars ($150.00) per week, whichever is greater following the date the franchised business is open to the public.	On Tuesday, for the previous week ending the Sunday of the preceding week.	Contributions must be paid weekly. We do not require National Marketing Funds to be used in cooperative advertising however, a cooperative may determine its members' required contributions, if one is created by its members.
Local Advertising ~~Fee[1]~~Fee	Two Thousand Dollars ($2,000.00) Per Month	Monthly, first reporting period of the month.	You will submit to Us the proof that You have made these contributions from the previous month towards Your local advertising.

Name of Fee	Amount	Due Date	Remarks
	(Proven)		
Advertising Cooperative	The amount will vary by cooperative	Upon Demand	The advertising cooperatives will vary depending upon the area being covered by the cooperative. You will pay an equal amount with all other Franchisees in the cooperative.
Intranet Setup Fee[1]	$99.00 initial setup fee	As invoiced	This covers the Intranet and research and development.
Intranet Fee	$99.00 initial setup fee, plus the weekly fee of $30.00	On Tuesday, for the previous week ending the Monday of the preceding week.	This covers the Intranet and research and development.
Software Fee[1]	$800.00 per month	On the first Tuesday of each month	This allows You access to all necessary programs required further described in the Manual(s).
Telephone Directory Advertising[4]	Varies according to area and type of listing	As invoiced	You are required to list and advertise in the online "white pages" of Your local telephone directory.
Audit Expenses[1]	All costs and expenses associated with audit	Upon demand	Audit costs payable only if the audit shows an understatement in amounts due of 2% or more.
Late Fees[2]	$150.00 as a late fee per incident plus 8% interest~~,~~ ~~compounding daily~~; plus legal late and bank fees, if applicable[2]	Upon demand	Applies to all overdue Royalty Fees, Marketing Fees and other amounts due to Us. Also applies to any understatement in amounts due revealed by an audit. All interest is compounded daily. ~~Interest rate shall not exceed 10% annually according to California state law.~~
Insufficient Funds Fee	$~~100~~150.00, or the maximum amount as permitted by State law, as a late fee per incident plus 8% interest, plus legal late and bank fees, if applicable[2]	Upon demand	Applies to all non-approved (ACH Debit) or returned payments made by You that do not fund or clear Your bank for any reason whatsoever. The maximum amount allowed in your state may be adjusted on the State Addendum. (See Exhibit G)
~~Insurance~~[5]Insurance	Amount incurred	As required by third party	You must have insurance coverage in the amounts specified within the Ongoing Franchise Agreement.

Name of Fee	Amount	Due Date	Remarks
Insurance Policies[5]	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies	Upon demand	Payable only if You fail to maintain required insurance coverage and We elect to obtain coverage for You.
Transfer Fee[1]	Fifteen Thousand Dollars ($15,000.00)	Time of ~~notice of intent to~~ transfer	A $15,000 Transfer fee is due when submitting the Notice of Selling. This fee is not refundable. This full fee does not apply to a transfer under Section 18.3 of the Ongoing Franchise Agreement, only a $500 fee would be due under that section.
Transfer Training	$10,000.00	Time of Transfer training	Due upon Signing of the New Ongoing Franchise Agreement with Transferee. Additional trainees can attend at a rate of ~~One Thousand and Five Hundred Dollars ($~~$1,500~~.00)~~ each. All travel, room and board will be at Transferee's expense.
Other Audit Fees and Amounts[7]	All costs and expenses associated with audit	Upon demand	You will be required to pay for any other third-party audits, including any governmental type audits.
Customer Service[1]	All costs incurred in assisting Your consumers	Upon demand	You must reimburse Us if We determine it is necessary for Us to provide service directly to any of Your customers.
Additional Training[6]	Rates as published in the Manual; currently, Three Thousand Dollars ($3,000.00) for the first week and One Thousand and Five Hundred Dollars ($1,500.00) every week after per session, plus (i) Our travel expenses or (ii) Your expenses as well as Your	Time of service	You pay for additional training for additional trainees at Our facility at a rate of Three Thousand Dollars ($3,000.00) for the first week and One Thousand and Five Hundred Dollars ($1,500.00) every week after per session. You will also pay this fee if additional training is required if You fall below the minimum gross sales.

Name of Fee	Amount	Due Date	Remarks
	employees' expenses in attending		
Additional Operations Assistance[6]	Rates as published in the Manual; currently, Sixty-Five Dollars ($65.00) per hour plus expenses for a minimum of Five (5) days. plus our expenses	Time of assistance	We provide You with assistance around the beginning of operations at no charge to You. You pay for additional assistance if You request it or if We provide assistance to Your clients for up to six weeks (6).
Ongoing Training Programs[6]	You are required to pay Your expenses as well as Your employees' expenses for attending	Time of program	We provide Update Training. No tuition or training fees are assessed; attendance for the Internal Manager, Franchisee's other managers and/or employees will not be required to attend more than quarterly (4) session(s) in any calendar year and collectively not more than Twenty-Eight (28) days in any calendar year, not including any annual convention that is held by Us.
Temporary Management Assistance[1]	Rates as published in the Manual;	Each day that it applies	Following the death or incapacity of an owner of the Franchised Business. We may assume operation of the Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by Us, up to a maximum of 60 days. We charge this temporary management fee during the time We are operating Your Franchised Business and We will also be entitled to reimbursement of any expenses We incur that are not paid out of the operating cash flow of the Franchised Business.
National / Regional Meetings	$1,500 for two attendees (Non-attendance incurs an additional penalty of $3,000)	First Tuesday in September	We provide Annual Training at Our Annual Convention. We will provide all convention entrance fees, except hotel and airfare costs for up to two to attend the training session. Additional attendees will be billed at ~~One Thousand and Five~~

Name of Fee	Amount	Due Date	Remarks
			~~Hundred Dollars ($1,500~~$750.00~~)~~ each.
Indemnification / Legal Fees	All costs including attorneys' fees	Upon demand	You must defend lawsuits at Your cost and hold Us harmless against lawsuits arising from Your operation of the Franchised Business.
Renewal Fees	~~20% of then current Franchise Fee~~ $7,000.00	~~90~~210 days prior to ~~renewing~~termination	You must notify Us in writing at least 210 days prior to the end of Your Ongoing Franchise Agreement with Us that You wish to Renew Your Franchise. You must attend refresher training if requested, sign a General Waiver (subject to state law), and Execute the then-current Ongoing Franchise Agreement, and comply with current standards (Ongoing Franchise Agreement Section 4.2)
Replacement Operations Manuals	$1,000.00 each	Upon request	You are loaned one copy of the Operations Manuals. If You require a replacement copy this fee will be due upon ordering it.
Liquidated Damages on Confidential Information Disclosure only	$20,000.00 per breach		This is contained in the Confidentiality Agreement attached as Exhibit C, and only applies prior to becoming a Franchisee.
Liquidated Damages	Within 15 days, pay the amount due based upon the formula noted in the Remarks section	Upon termination	An amount equal to one thousand dollars ($1,000) per day per occurrence retroactive to the first date of offense, plus the average monthly Royalty Fees Franchisee paid to Us during the 3 months of operation preceding the effective date of termination multiplied by the number of months remaining in this Agreement had it not been terminated, whichever is higher, or until the Exclusive Territory, as defined under Section 2.5 is granted to a third party, without the necessity of holding a full trial, and without the necessity of posting security or bond. The liquidated damages provision only covers Our damages from the loss of cash flow from the loss of continuing Royalty Fees.

Name of Fee	Amount	Due Date	Remarks
Prospective Supplier Sample Tests	$150.00, plus actual costs incurred	At time of request	If You wish to have Us test out a new supplier there will be a $150.00 fee. The new supplier will go through a ~~Ninety (~~90~~)~~ day approval timeframe
Maintenance and Renovation	Amounts vary	When needed for every 3 years whichever occurs first	You will refresh the Pocket Deli trade dress every 3 years. Renovation will be reviewed every 7 years, on an as needed or as required based upon the brand standards contained in the Manual(s).
Taxes	As determined by applicable taxing authorities	Upon demand	You may be required to pay to Us sales taxes, use taxes, and similar taxes as imposed on goods and services sold to You from Us, as determined by what is imposed on Us by local, states and federal taxing authorities, unless the tax is an income tax assessed on Us for doing business where Your Franchised Business is located.

No other fees or payments are to be paid to Us, nor do We impose or collect any other fees or payments for any other third party. All fees are generally nonrefundable.

NOTES

1 These fees are imposed by Us uniformly imposed and collected through deduction from Your ACH Account from Your Gross Sales and are payable to Us as listed in due date column of the above chart. Franchisor owned units do not have voting power in cooperatives established. The Royalty Fees, the Service Fee~~ and the Capital Access Charge fee~~, plus any other amounts You owe Us will be deducted from payments that Your Customers submit to You under the Order Processing System, or as a separate ACH withdrawal if warranted. (see Item 8) We may pass through to You any additional fees We incur if You pay Us any amounts by credit card. Franchisee shall pay to Franchisor an amount equal to all sales taxes, use taxes and similar taxes imposed on the fees payable by Franchisee to Franchisor herein and on services or goods furnished to Franchisee by Franchisor at the same time as Franchisee remits such fees to Franchisor, if any taxing authority imposes such taxes on Franchisor, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchised Business is located.

2 The daily additional fee begins the day after underpayment, plus the maximum amount of interest allowed by law, compounded daily.

3 "Gross Sales" means the aggregate of all income and monthly fees Franchisee receives from Customers for the purchase or provision of any goods or services, including enrollment fees, or any other person or business entity for the Franchised Business in connection with the Franchised Business (whether or not in accordance with the terms of the Ongoing Franchise Agreement) and whether for check, cash, credit or otherwise, from the sale of products and services (including service charges in lieu of gratuity) regardless of the dollar amount Franchisee sells each product or service for, including, without limitation, all proceeds from any business interruption insurance, but excluding (a)

all insurance payments, check, cash, credit or debit card refunds made in good faith provided, prior to granting the refunds, the revenue related to the refunds was included in Gross Sales, (b) any sales and equivalent taxes that Franchisee collects for or on behalf of and pay to any governmental taxing authority, and (c) any rebate Franchisee receives from a manufacturer or supplier.

4 Local and telephone directory advertising is in addition to and exclusive of the Local Marketing Contribution.

5 You must maintain certain types of insurance coverage as disclosed in Item 8 ~~and 9~~ or in the Manual. If You do not, We may immediately obtain or reinstate the required coverage on Your behalf, and You must promptly reimburse Us for the costs of obtaining insurance and any additional costs incurred by Us in obtaining Your coverage or reinstatement.

6 These amounts are estimates and approximate the average charge to You for services. Charges may vary based upon the actual time spent by Our staff and the duration of the training or assistance provided.

7 These amounts may be collected by the Franchisor and paid to the third party on your behalf, or may be payable directly to the third party requiring the audit.

ITEM 7 - ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT [1]				
EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
INITIAL ~~FEE[2]~~FEES[2]	$35,000.00 to $35,000.00	~~Fifteen Thousand Dollars ($15,000.00) payment, then~~The 2 Separate Payments are due Lump Sum, via cashier's check or direct deposit into our account. First the Preliminary Agreement Fee ($15,000.00) Preliminary Agreement payment is due upon execution of the	After paying the ~~Fifteen Thousand Dollars ($15,000.00)~~ Preliminary Agreement Fee, the ~~Balance~~balance of the Initial Fees will be due upon completion of the Site ~~Approval~~training when Signing the ~~Franchise~~Business Establishment Agreement[2]	Us

YOUR ESTIMATED INITIAL INVESTMENT [1]				
EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
		Preliminary Agreement. The second payment for the Establishment Agreement of ($20,000.00) is due upon execution of that Agreement.		
TRAVEL AND LIVING EXPENSES WHILE TRAINING[9]	$1,950.00 to $3,000.00	As Incurred	During Training/Before Opening	Airlines, Hotels, Businesses, Car Rental Companies, etc.

This rest of this section is only applicable If You apply to become and are awarded a Pocket Deli franchise, as these figures are specifically for a Pocket Deli franchise .

RENT / REAL ESTATE ~~DEPOSIT~~[3]DEPOSIT	$1,800.00 to $6,000.00	As Arranged	As Arranged	Landlord
REAL ESTATE SITE SELECTION	$0.00 $0.00	As Incurred	As Arranged	CCIM Site Selection Services are included in our support
UTILITY AND MISCELLANEOUS SECURITY DEPOSITS[4]	$150.00 to $600.00	As Arranged	Before Opening, may depend upon Your personal credit history or ratings	Landlord and Utility Companies
LEASEHOLD ~~IMPROVEMENTS~~[5]IMPROVEMENTS	$0.00 to $12,000.00	As Arranged	Before Opening, may be included in lease negotiations	Landlord
FURNITURE, FIXTURES, AND EQUIPMENT[6]	$60,000.00 to $75,000.00	As Arranged	Before Opening	Approved Suppliers and Vendors

OPENING INVENTORY[7]	$8,000.00	to	$12,000.00	Lump Sum	As arranged	~~Approved Suppliers and Vendors~~Us
SUPPLIES AND OTHER OPENING ITEMS[7]	$2,000.00	to	$4,000.00	As Arranged	Before Opening	Approved Suppliers and Vendors
GRAND OPENING	$7,500.00	to	$15,000.00	As Arranged	Before Opening	Approved Suppliers and Vendors
VEHICLE LEASE[6]	$750.00	to	$1,050.00	As Arranged	Monthly/As Arranged, A Portion Before Opening	Leasing Company
VEHICLE ~~WRAP[6]~~WRAP[5]	$1,500.00	to	$2,500.00	As Arranged	As incurred, Before Opening	~~Third~~Us or a third party supplier
INSURANCE[8]	$350.00	to	$1,050.00	As Arranged	Monthly/As Arranged, A Portion Before Opening	Insurance Company
VEHICLE INSURANCE[8]	$100.00	to	$300.00	As Arranged	Monthly/As Arranged, A Portion Before Opening	Insurance Company
SIGNAGE[5]	$5,000.00	to	$7,500.00	As Arranged	Before Opening	Third Party
LICENSING AND PERMITS [7]	$150.00	to	$500.00	As Incurred	During Training/ Before Opening	Third Party Vendors
LEGAL / ACCOUNTING[7]	$1,000.00	to	$1,000.00	As Arranged	As Incurred	Your chosen professional
ADDITIONAL FUNDS[10] (Three Months)	$20,000.00	to	$30,000.00	As Incurred	As Incurred	Operating Capital
TOTAL[1, 13] Pocket Deli franchise Single Unit	**$145,250.00**	to	**$206,500.00**			

Area Development of 3-10 Single Franchise Agreements over time

YOUR AREA DEVELOPER ESTIMATED INITIAL INVESTMENT [1]				
EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
AREA DEVELOPMENT FEE[2]	$75,000 to $180,000	Initial Franchise Fee for each additional Unit,	Upon executing the Area Development Agreement.[2]	Us
ESTIMATED INITIAL INVESTMENT FOR FIRST UNIT ~~MINUS INITIAL FEE~~	$~~110~~145,250 to $~~171~~206,500	As described in the Initial Investment table above for a single location and subtracting the initial fee.	As described in the Initial Investment table above for a single location and subtracting the initial fee	As described in the Initial Investment table above for a single location and subtracting the initial fee
TOTAL[1, 11] Development Units	**$~~185~~220,250~~.00~~ to $~~351~~386,500~~.00~~**			

* All Funds payable to Us are non-refundable once paid. For specific information see the Refundability section of Item 5.

~~**NOTES TO ITEM 7.**~~

1. Estimated Initial Investment

The above estimates do not provide for Your cash requirements to cover operating costs after the initial 90~~-~~-day phase or personal living expenses. You must have additional sums available, whether in cash or through unsecured credit lines or have other assets that You may liquidate or that You may borrow against, to cover Your personal living expenses and any operating costs after the initial 90 day phase of Your Pocket Deli™® Franchise. We urge You to retain the services of an experienced accountant or financial advisor in order to develop a business plan and financial projections for Your Pocket Deli™® Franchise. Your actual investment will vary depending upon local conditions particular to Your geographic area or market~~.~~, and the choices you make such as the attorney or accountant you choose to work with. As described in Item 10 below, We do offer in-house financing arrangement to You.

2. Initial ~~Fee and Development Fee~~Fees

As discussed in Item 5 above, if You submit ~~a Franchise~~an Application and ~~Preliminary~~ pay the Initial Fees totaling "Initial Fees TE» ($"Initial Fees NU») and have completed the Site training and the Business Establishment training and are then offered an Ongoing Franchise Agreement ~~with the Fifteen Thousand Dollars ($15,000.00) fee, all of the Fifteen Thousand Dollars ($15,000.00) paid~~, You will ~~be applied toward Your approved~~sign a separate agreement called an Ongoing Franchise Agreement ~~upon execution by both parties.~~ If ~~the Franchise Application is~~You are not approved ~~within Fourteen (14) days, the Preliminary Agreement Fee, ($15,000.00) less Two Thousand, Five Hundred Dollars ($2,500.00) administrative fee and legal costs,~~to be an Area Developer then you will ~~be refunded to You.~~not pay this fee. All ~~initial~~Initial Fees may be modified by a State Addendum attached as Exhibit

G.~~ The Development Fee, as discussed in Item 5, varies by pack from a low of Seventy-Five Thousand Dollars ($75,000.00) for a~~

3~~-Pack, a midrange of One Hundred Thousand Dollars ($100,000.00) for a 5-Pack and a high of One Hundred and Eighty Thousand Dollars ($180,000.00) for a 10-Pack.~~

~~3.~~ Real Estate/Rent

Your Pocket Deli Franchised Business will be run out of a business location. Your monthly rent and security deposit or monthly mortgage payments as a projected high-low dollar investment as to leasing space in a business location are somewhat difficult to predict. They will depend upon the size, condition and location of the premises and the demand for the premises among other possible tenants or purchasers, along with the particular building's prevailing rental rates for Your particular locale.

4~~.~~ Lease, Utility and Miscellaneous Security Deposits

You will most likely be required to pay a lease deposit (typically the last month's rent) before You can enter the premises. Utility companies may require You to place a deposit and/or pay an installation fee before occupying the premises or installing telephone, gas, electricity and related utility services. These deposits may be refundable under agreements made with the Landlord and utility companies.

5~~.~~ Leasehold Improvements~~ and Signage~~

The cost of construction and leasehold improvements depends upon the size and condition of the premises, the local cost of contract work and the location of the Franchise Business. In some cases, a "vanilla shell" is available which can be used without requiring extensive demolition or renovation. In other cases, the space may require extensive renovation, construction of ceilings, walls, plumbing, flooring and lighting, before finishes can be installed. The range of figures for a Franchise Business is for the cost of reasonable renovation or leasehold improvements. This figure does not include all signage necessary for the franchise location.

You must have interior and exterior signage bearing the Marks as prescribed by Us, which includes any required signage on vehicles for Your business. The cost of signage will be approximately $5,000.00 to $7,500.00 and will vary based upon the supplier of the signage, size, number of signs, and requirements of the building location and may also be affected by applicable municipal code and zoning restrictions. You must use at least those signs shown on the standard list of internal signs and the vehicle wrap advertising that We require for every Franchised Business.

6~~.~~ Furniture, Fixtures and Equipment

The equipment estimate does not include import fees, shipping or freight.

The equipment necessary for the operation of a Pocket Deli Business is listed in the Confidential Operations Manual (the "Manual"). You must purchase approved brands and models from approved suppliers. The cost of the equipment will depend on financing terms available, the size of the Franchised Business, brands purchased, and other such relevant factors.

Fixtures may include desks, signs, wall coverings, and decorations. The cost of fixtures will vary, depending on the layout of the Franchise Business, and other relevant factors.

However, all equipment, fixtures, construction, leasehold improvements and interior decor (if applicable) must meet Our standards and specifications and must be approved by Us. Local ordinances may result in variances in the type of required furniture, fixtures or equipment, which may affect the total price.

You will be required to lease or purchase a vehicle for use in Your business~~; however, if You own a vehicle that matches the standards specified in the Manual(s), You may have the ability to use Your~~

~~vehicle.~~. The costs listed above ~~assumes~~assume that You have chosen to lease ~~a new~~the Vehicle. Details of which can be found in the Manual(s).

7~~.~~ Opening Inventory

The Opening Inventory is the amount of Initial Product or Supplies You must have in Your Pocket Deli location. In the chart above it reflects $0, because the initial inventory is supplied to You prior to Soft Opening by Us. While the Inventory, Cleaning Supplies, and Other Opening Items are the small amount of miscellaneous items that is not included in Your Opening inventory kit~~, the~~ provided by Us.
The Opening Inventory is the amount of Initial Product You must have for Your business. ~~The~~In the chart above it reflects $8,000.00, as the minimum anticipated amount of initial inventory~~ while~~, some inventory may be supplied to You prior to Opening by Us. While the reflected $12,000.00 ~~figure~~ includes the ~~former amount plus the estimated~~ amount for larger locations.~~ Some inventory items may be supplied by an Approved Supplier.~~ The amount for Inventory, Supplies, and Other Opening Items for the small amount of miscellaneous items is not provided by Us.

Supplies and Other Opening Items

Supplies and Other Opening Items is the amount of Initial Product You must have for Your business. In the chart above it reflects $2,000~~.00~~, as the minimum anticipated amount of initial inventory~~ while~~, some inventory may be supplied to You prior to Opening by Us. While the reflected $4,000~~.00~~ includes the amount for larger locations.~~ Some inventory may be supplied to You prior to Opening by Us~~ The amount for Inventory, Supplies, and Other Opening Items for the small amount of miscellaneous items is not provided by Us. These fees are non-refundable. This would also include any accounting or legal fees that you incur to open your business or get it established.

8~~.~~ Insurance

You must obtain and maintain the required insurance coverage as described by Us in Item ~~8 and~~ 9 of this Disclosure Document and in the Ongoing Franchise Agreement. The cost of insurance will vary based on types and limits of insurance purchased, location of the Franchise Business, terms available and other related factors. The estimate provided is for Your insurance deposit and includes the vehicle(s) within the estimate.

9~~.~~ Training

You and Your Internal Manager must participate in our ~~initial~~ training programs as stated in Item 11 of this Disclosure Document.~~ You may participate in Our additional training programs.~~ All Initial Fees are used to defray Our costs for providing training, promotional assistance and materials and other services to be provided by Us. Additional information regarding training is available in Item 11 of this Disclosure Document.

10~~.~~ Additional Funds

An amount of working capital is projected as sufficient to cover operating expenses for three months, including software, employee salaries and overhead, but excluding salary for an owner-operator. However, Pocket Deli cannot guarantee that this amount will be sufficient or that You will not have additional expenses starting the business. Your costs will depend on factors such as: how much You follow Pocket Deli's methods and procedures; Your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level reached during the initial period.

11~~.~~ Total

We relied upon our business experience to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

We cannot guarantee that this amount will be sufficient or that You will not have additional expenses starting the business. Your costs will depend on factors such as: How much You follow our methods and procedures; Your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level reached during the initial period.

We do offer some direct financing to You for the Initial ~~Fee~~Fees only, on approved credit and pursuant to the terms described more fully in Item 10. We may also provide assistance to You in obtaining outside financing.

ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

Franchise Business and Location

You must submit the location of Your choosing for approval. The location must meet Our location selection guidelines for a Pocket Deli business. The criteria used in approving the location may include generally accepted criteria for assessing the sales performance of target metropolitan centers, parking availability, signage availability, and located within the proposed Territory and diversity of contacts within those areas.

Services, Equipment; Fixtures; Furniture and Signs

You must contract, purchase, lease, or license any services, equipment, furniture, fixtures, supplies, or other materials to be used in the operation of the Franchise Business, for Your Business only from suppliers that We designate or approve (which might include or be limited to Us or our affiliates), if stated in the Manual or previously approved in writing by Us. You may purchase items and services for which We have not identified approved suppliers from any source, if the items and services meet our specifications.

Other Products; Supplies and Materials

To maintain the quality and consistency of all Franchise Businesses and Franchise Business products, You must purchase all products, goods, services, supplies, fixtures, materials or equipment and signs; and other materials and supplies used in the operation of the Franchise Business that meet the specifications and quality standards established periodically by Pocket Deli and from suppliers and manufacturers approved by Pocket Deli, as described below.

You must use only envelopes, business cards, letterhead, labels and documentation imprinted with the Marks and colors as prescribed and approved by Pocket Deli.

Specifications and Standards

To maintain the high standards of the quality assurance program and to ensure compliance with service specifications, HIPPA, OSHA, and industry standards, Pocket Deli reserves the right to approve sources of services or products sold in Franchise Businesses. If we chose to set a specific specification or standard, or if we approve any specific vendors or suppliers, we will share those standards with you in the Manual(s). Any changes to or modifications of the System, the Manual, or any standard will be promptly communicated to You.

You must comply with Our specifications for brands and types of equipment used in Your Franchised Business. If You propose to purchase any items for use in Your Franchised Business from an unapproved source for which We have identified, designated, or approved supplier(s), You must request our approval first. We may require, as a condition of granting approval that our representative(s) be permitted to inspect the supplier's facilities, and that information, specifications, and samples as We reasonably request be delivered to Us for testing. We will notify You within Ninety~~ (90)~~ days of Your request as to whether We approve the supplier or product. If no approval is received within Ninety days, it is deemed denied. Upon written acceptance and approval by Us of services or products and suppliers submitted for inclusion on the Approved Suppliers List and Approved Supplies List, You will be free to purchase such service or product from such approved supplier. We may revise our Approved Supplier and Approved Supplies Lists.

We apply the following general criteria in designating a proposed supplier as an approved source:

1. Ability to provide the service or product to Our quality specifications;
2. Production and delivery capability;
3. Minimum standards for safety;
4. Integrity of the supplier; and
5. Legality of the product or company.

Currently, We are a designated or approved supplier for some products or services; however, We do not receive benefits from any other approved suppliers. Except as stated in this Item, neither We nor any persons affiliated with Us is or are an approved supplier of any required goods or services, and neither You nor any person affiliated with Us will or may derive revenues as a result of required purchases or leases by You. You will not receive from Us material benefits from your use of designated vendors, products or approved sources, other than the negotiated purchase agreements disclosed to you in the Manual(s).

We estimate that the cost of required equipment and supplies purchased in accordance with our specifications will represent (a) Sixty-~~Four~~four percent (64%) of Your total purchases and leases in establishing the business and (b) Thirty-~~Six~~six percent (36%) of Your total purchases and leases during operation of the business.

Insurance

You must obtain and maintain insurance, at Your expense, with policy limits as required by Us, applicable law, Your landlord, and lender or otherwise. The policies must be written by an insurance company reasonably satisfactory to Us with a Best rating of "A-" or better and include the risks, amount of coverage and deductibles as stated below. We reserve the right to increase the minimum insurance requirements.

a) "all risk" property insurance, including business interruption insurance, customarily obtained by similar businesses in your general area to cover, at a minimum, all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of your Pocket Deli Business; and

b) General commercial liability insurance in an amount of not less than $~~1~~2,000,000 per occurrence with a $2,000,000 general aggregate; and

c) Comprehensive general liability insurance, including products and contractual, in an amount of not less than $~~1~~2,000,000 per occurrences with a $2,000,000 general aggregate; and

d) Workers' compensation insurance for statutory limits and employer's liability insurance in an amount not less than $1,000,000; and

e) An umbrella policy in amount of not less than $2,000,000; and

f) Automobile liability coverage, including coverage of owned, non-owned and hired vehicles with coverage in amounts not less than $1,000,000 combines single limit~~;~~.

~~g)~~ You must name and maintain Us as "an additional insured" on all insurance policies. You must also provide annual copies to Us at time of renewals~~; and~~

~~h)~~g) ~~$10,000 each for Medical expenses and Employment Practice Liability.~~.

Bookkeeping and Records

You will establish and maintain a bookkeeping, accounting and record keeping system conforming to Our requirements, as may be periodically revised. You will submit periodic reports, forms and records as specified in the Ongoing Franchise Agreement or the Manual or otherwise.

Benefits to System from Approved Suppliers

In 2019, as well as, currently Pocket Deli and its Affiliates receives no derived revenue, rebates or other material consideration based upon required purchases or leases from any of its approved suppliers. For the fiscal year ending December 31, 2019 our revenues from Franchisees' required purchases or leases were $0.00 or 0% of our total revenues of $0.00. Required purchases or leases are estimated to make up Sixty-four percent (64%) of Your total purchases and leases in establishing the business and Thirty-six percent (36%) of a Franchisee's total initial investment. Pocket Deli may negotiate purchase arrangements for all Franchisees with various suppliers, for the mutual benefit of all Franchisees, which may include price terms. Pocket Deli does not provide material benefits of any kind to You based on Your use of designated or approved sources.

We currently are in negotiations with several suppliers for discounted rates for products, furniture and fixtures which will have a positive benefit to You. Our intent is to continue this practice whenever possible. Except as stated in this Item, neither Pocket Deli nor any persons affiliated with Pocket Deli are approved suppliers of any required goods or services. You will not derive revenues as a result of required purchases or leases by You in accordance with Pocket Deli's specifications or from suppliers approved by Pocket Deli. We do not currently have in place any purchasing or distribution cooperatives~~,~~; however~~,~~ We reserve the right to implement them in the future if they will provide a benefit to You. Approval of any purchasing or distribution cooperatives will be by a majority vote of all Franchisees currently in the system at that time.

ITEM 9 - FRANCHISEE'S OBLIGATIONS

This table lists Your principal obligations under the Ongoing Franchise Agreement and other agreements. It will help You find more detailed information about Your obligations in these agreements and in other ITEMS of this Disclosure Document.

Obligation		Section In the Preliminary Agreement (Prelim), Establishment Agreement (EA), Ongoing Franchise Agreement (FA) and Development Agreement (DA)	ITEM In the Disclosure Document
a.	Site selection and acquisition/lease	Prelim: Article III FA: Article 5 DA: Article 4	ITEMS 11 and 12
b.	Pre-opening purchases/leases	Prelim: Article IV FA: Articles 5, 12 and 15 DA: None	ITEMS 7, 8 and 11
c.	Site development and other pre-opening requirements	EA: Article 1 FA: Articles 5 and 8 DA: Article 4, Exhibit I	ITEMS 7, 8 and 11
d.	Initial and ongoing training	Prelim: Article III EA: Article 5 FA: Article 8 DA: None	ITEMS 6, 7 and 11
e.	Opening	EA: Article 4 FA: Articles 5 and 8 DA: Article 4, Exhibit I	ITEM 11
f.	Fees	Prelim: Article II EA: Article 1 FA: Articles 3, 5, 8, 10, 11, 12, 13, 15, 18 and 21 DA: Article 3	ITEMS 5, 6, 7 and 11
g.	Compliance with standards and policies/Operating Manual	FA: Articles 6, 7, 9, 10, 11, 12 13 and 15 DA: Article 6	ITEMS 8 and 16
h.	Trademarks and proprietary information	EA: Article 12 FA: Articles 6, 7 and 9, Exhibit 6 DA: Article 6	ITEMS 13 and 14
i.	Restrictions on products/services offered	FA: Articles 5, 6, 7, 10 and 13 DA: Article 2	ITEMS 8 and 16
j.	Warranty and customer service requirements	EA: Article 17 FA: Article 13 DA: None	ITEM 16
k.	Territorial development and sales quotas	FA: Article 2 DA: Article 4, Exhibit I	ITEM 12
l.	Ongoing product/service purchases	FA: Article 13 DA: None	ITEMS 8 and 11
m.	Maintenance, appearance and remodeling requirements	FA: Articles 5, 10 and 13 DA: None	ITEM 6
n.	Insurance	FA: Article 15 DA: None	ITEMS 6, 7 and 8
o.	Advertising	FA: Articles 3 and 11 DA: None	ITEMS 6, 7 and 11
p.	Indemnification	EA: Article 17 FA: Article 21	ITEM 6

Obligation		Section In the Preliminary Agreement (Prelim), Establishment Agreement (EA), Ongoing Franchise Agreement (FA) and Development Agreement (DA)	ITEM In the Disclosure Document
		DA: Article 11	
q.	Owner's participation/ management/ staffing	FA: Articles 8 and 13 DA: Article 4	ITEM 15
r.	Records and reports	FA: Articles 6 and 12 DA: None	ITEM 11
s.	Inspections and audits	FA: Articles 6, 12 and 16 DA: Article 4	ITEMS 6, 11 and 13
t.	Transfer	FA: Articles 16 and 18 DA: Article 7	ITEM 17
u.	Renewal	FA: Articles 4 and 16 DA: None	ITEM 17
v.	Post-termination obligations	FA: Article 17 DA: Article 9	ITEM 17
w.	Non-competition covenants	FA: Articles 7, 17 and Exhibit 2 DA: Article 9	ITEM 17
x.	Dispute resolution	Prelim: Article XII EA: Article 13 FA: Article 23 DA: Article 13	ITEM 17

ITEM 10 - FINANCING

We are not required to offer You any Financing Options. At Our choice, based upon our sole discretion, We may offer the option to finance Your Initial ~~Fee~~Fees only. The terms and conditions of our Financing Options when and if they become available are listed below as well as within Exhibits 3 and 10 to the Ongoing Franchise Agreement. By entering into a financing arrangement with Us, You agree to waive any and all notices and legal or equitable defenses to which You may be entitled. No other fees or costs are available for financing. The in-house financing option provides You with the option to finance one-half of Your Initial ~~Fee~~Fees, with the following terms:

1. **Down Payment**: 50% down payment due upon signing ~~Franchise~~the Agreement, unless modified by a State Addendum.
2. **Term of the Promissory Note**: All due and payable through the 8 payments within 8 months of ~~opening.~~completion of training. Your first payment is due the ~~week~~month following ~~opening.~~competition of training. The Promissory Note you must sign is attached to the ~~Franchise~~ Agreement as an Exhibit~~ 14~~.
3. **Interest Rate**: 8 %
4. **Installment payment**: ~~Once~~Beginning 60 days after Your training has been completed; the ~~Franchised Business is open to the public; the~~8 payments are due and payable by automatic debit ~~weekly~~monthly and continue until the balance has been paid in full. The payments will be an equal amount to be determined based upon the amount financed divided by the term of the Promissory Note payable on the first Tuesday of ~~each week~~the month for the next eight (8) months. You will sign an Addendum to Your ~~Franchise~~ Agreement which will contain the Promissory Note.

5. **Prepayment Penalty**: None. You may prepay the entire balance at any time prior to the All Due date.
6. **Security Requirement**:
UCC filing on the business, equipment and fixtures and residuals, and a Standard Personal Guarantee attached to the ~~Franchise~~ Agreement by the individual owner(s) of the ~~Franchise~~Business and all Guarantors listed on the ~~Franchisor~~ Agreement Guaranty Addendum.

~~7.~~ **Liability Upon Default**:
7. Loss of Protected Territory. Additionally, You will be responsible for any and all Attorney's Fees and costs for securing the amount in default. All fees normally payable to You, if any, will be directed toward the balance of the Promissory Note and all associated costs until they are paid in full.

Other than the option to obtain in-house financing for one-half of the Initial ~~Fee~~Fees, We offer no additional financing options to You. Additionally, We do not intend, but retain the right to sell off Your Promissory Note to a third party.

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

Except as listed below, We are not required to provide You with any assistance.

A. Our Pre-Opening Obligations

Before You open Your ~~Franchised~~ Business, We will:

1. Grant access to the Preliminary Agreement Site training. This training is described in detail later in this ITEM;

2. Grant access to the Establishment Agreement and the fast-casual industry training. This training is described in detail later in this ITEM;

Upon signing the Ongoing Franchise Agreement, We will provide the following:

3. designate Your true Territory, as further described in ITEM 12~~, which includes, but is not limited to, general traffic flow, proximity to other businesses, neighborhoods, and schools. If the Approved Location of the Franchised Business is not determined as of the Effective Date, then You will have up to Fourteen (14) days to propose a location to Us for approval. If We do not deny Your proposed location within fourteen (14) business days, the location shall be deemed approved; (~~; (Ongoing Franchise Agreement, Section 2.5)

if You are a Developer, designate Your Development Territory, based upon the then-current site criteria, as further described in ITEM 12; (Development Agreement, Section 2.1 and Exhibit I) coordinate with You and our then current approved Commercial Broker, CCIM / vendor to assist You in locating an appropriate location for Your business and negotiating Your commercial lease according to our requirements, which include protective provisions for You; (Ongoing Franchise Agreement, Section 5.3)

If You are a Developer, You must locate each of Your Franchised Businesses in the Development Territory, and for each, You must propose the specific sites for our consideration according to the process above. You are not solely responsible for locating and obtaining sites for Your Franchised Businesses in Your Development Territory that meet our standards and criteria and that are acceptable to Us, We will assist You in finding a suitable site; (Development Agreement, Sections 2.1 and 4.3)

Note: Neither We nor any of our employees have special expertise in selecting sites; We make no representations that Your Franchised Business will be profitable or successful by being located at the Approved Location. Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience;

~~1.~~4. review and approve Your lease or purchase agreement for the site for the Approved Location, including if applicable, discussions and assistance in obtaining the required Lease Rider for Your location; ~~(~~ (Ongoing Franchise Agreement, Section 5.3)

Note: Our review of Your lease or purchase agreement and any advice or recommendations We may offer is not a representation or guarantee by Us that You obtained the best deal for the lease, or that You will succeed at the leased or purchased premises;

~~2.~~5. provide You with a standard overview for the build-out, such as sample floor plans of the Franchised Business, if necessary, along with a list of suggested equipment that You might choose to purchase or lease and install; (Ongoing Franchise Agreement, Section 5.4)

Note: Neither We nor any of our employees have special expertise in conforming the plans and specifications to Your local Territory. You will be solely responsible for ensuring that all local ordinances and building codes are followed and that You obtain all required permits if You choose, or are required to build-out;

~~3.~~6. provide you with assistance with procuring equipment, signs, fixtures, opening inventory, and supplies. We will either provide it to You directly or provide a list of approved suppliers with written specifications in the Manual(s). We do not install any items; (Ongoing Franchise Agreement, Section 8.2)

~~4.~~7. provide ~~an initial~~the Site and Business Establishment training ~~program~~programs. This training is described in detail later in this ITEM; (Ongoing Franchise Agreement, Section 8.1)

~~5.~~8. provide to You on-site assistance in presentations to qualified customers within the Franchised Business Territory; (Ongoing Franchise Agreement, Section 8.~~1~~2);

~~6.~~9. provide to You, on loan, one copy of the Pocket Deli~~™ Business~~® Ongoing Operations Manual(s), either in electronic or paper form. The Table of Contents of the Operations Manual(s), along with the number of pages devoted to each section, is described in detail later in this ITEM; (Ongoing Franchise Agreement, Section 9.1)

B. Typical Length of Time Between the Signing of the Ongoing Franchise Agreement and Beginning Operation

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

We estimate that the typical length of time between the signing of the Ongoing Franchise Agreement and the Opening of a Pocket Deli~~™~~® Business to be between 90 - 140 days for leased property. Factors that may affect Your beginning operations include Your completion of the training package requirements, ability to secure travel arrangements to training, financing, compliance with local ordinances, available training seats when signing, general contractors abilities and timelines, weather conditions and delays in setup or installation of computers, software, equipment and fixtures. You are required to open Your Franchised Business and be operational with Your Soft Opening within 140 days, if a leased location, or two hundred and forty days if building a location, after signing the Ongoing Franchise Agreement, and with a scheduled Grand Opening 2 days later, unless waived in writing. (Ongoing Franchise Agreement, Section 5.6 and Section 16.2)

C. Other Assistance During the Operation of The Pocket Deli® Franchised Business

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

After the opening of the Pocket Deli® Franchised Business, We will:

1. periodically, no less than quarterly, advise and offer general guidance to You by telephone, e-mail, webinars, facsimile, newsletters or other methods. Any guidance provided will be based on our, our Affiliates', Suppliers and our other Franchisees' experience in operating Pocket Deli~~TM~~® Businesses. Such advice and guidance may consist of knowledge and experience relating to the authorized services or products, assistance in obtaining consumers, communication of new developments, improvements or additions, software, equipment and supplies, as well as operational methods, accounting procedures, marketing and sales strategies; (Ongoing Franchise Agreement, Section 14.1)

2. make periodic visits to the Franchised Business to assist and guide You in various aspects of the operation and management of the Franchised Business, as We see fit. We may prepare written reports outlining any suggested changes or improvements in the operations of the Franchised Business and detail any deficiencies that become evident as a result of any such visit. If We prepare a report, You will be provided with a copy; (Ongoing Franchise Agreement, Section 14.2)

3. communicate directly with the consumer, marketing, employees or independent contractor(s), or other person or entity not the Franchisee, to provide assistance before, during, or after the initial sale at the rate of ~~Five Hundred Dollars ($~~$500.00~~)~~ per day pro-rated, payable weekly by ACH Deposit, by Tuesday of the week following the support; (Ongoing Franchise Agreement, Sections 8.5 and 14.1)

4. make available to You changes and additions to the System as generally made available to all Franchisees; (Ongoing Franchise Agreement, Section 10.2 and 14.3)

5. periodically, provide advertising and promotional materials including ad-slicks, brochures, fliers, and other materials for Your use or purchase; (Ongoing Franchise Agreement, Section 14.4)

6. approve forms of advertising materials You will use for Local Advertising, Opening Advertising and any optional Advertising; (Ongoing Franchise Agreement, Sections 11.1, 11.2 and 11.4)

7. maintain our websites located at www.pocketdeli.com and continue to promote Pocket Deli~~TM~~® Businesses through the Internet. We will prepare and maintain an interior page to our site promoting or giving information about Your Franchised Business; (Ongoing Franchise~~-~~ Agreement, Section 11.4)

8. maintain our Social Media sites and applications such as: Twitter, Facebook, LinkedIn and other sites and applications that We may establish. We do not allow You to establish or utilize Social Media sites or applications for business purposes except those created by Us for Your use.

Further, any representations from You, or Your employees regarding Your profits or earnings made on any Social Media site or application, even if made from a personal Social Media account, is deemed a breach of Confidential Information under the Ongoing Franchise Agreement, and You will be responsible for all costs including legal costs for any required fines or legal actions as a result of Your postings; (Ongoing Franchise Agreement, Section 11.4)

9. provide You with modifications to the Manual as they are made available to Franchisees; (Ongoing Franchise Agreement, Section 9.2)

10. provide You with modifications to the security and camera system procedures as needed; (Ongoing Franchise Agreement, Section 9.2);

11. provide You administrative bookkeeping and accounting control procedures as needed; (Ongoing Franchise Agreement, Sections 12.3 and 12.4) and

12. will treat all Franchisees equal. All services and support will be on a first come first served basis. You will enjoy a "favorite Franchisee" provision with Us. Large or multi-unit owners will not receive any special treatment by Us over single unit Franchisee. If We create or roll out new system programs, services or benefits, they will be immediately applicable to You and all other Franchisees in the Pocket Deli System, after completion of a beta test market program, if applicable. All Ongoing Franchise Agreements will contain this same provision. (Ongoing Franchise Agreement, Sections 10.1)

D. Advertising and Promotion

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

~~1.~~ All advertising and promotions must be approved in writing by Us in advance. We have 20 days to approve the submission. If We do not approve the advertising or promotions You submit within 20 day(s), they are deemed denied and You may not use them.

During every one (1) month period after the Franchised Business opens, You must spend at least $2,000.00 on local advertising in an effort to assist You to maintain the minimum sales requirements. Marketing methods utilized may include but not be limited to those contained within the Manual, and approved advertising materials such as Newspaper ads, Direct Mail, Coupon Direct Mail Coops, Print Media and Business to Business marketing efforts within Franchisees Exclusive Territory, and non-monetary sponsorships within the community or gifts to select Guests in the community, such as military, police, fireman, or other service people.

You may choose to spend whatever amount You determine best; however, at no time may You spend less than _Two Thousand Dollars ($2,000.000~~)~~ per month($2,000.00) towards Your local advertising budget~~.(“~~. Marketing methods utilized may include but not be limited to those contained within the Manual, and approved advertising materials such as Newspaper ads, Direct Mail, Coupon Direct Mail Coops, Print Media and Business to Business marketing efforts within Franchisees Exclusive Territory, and non-monetary sponsorships within the community or gifts to select Guests in the community, such as military, police, fireman, or other service people(“Local Advertising”).

On the first Tuesday of each month or within ten (10) days after the end of each month, whichever occurs first, after the Franchised Business opens, You will furnish to Us an accurate accounting of the expenditures on Local Advertising for the preceding one month period. ~~(~~Marketing methods utilized may include but not be limited to those contained within the Manual, and approved advertising materials such as Newspaper ads, Direct Mail, Coupon Direct Mail Coops, Print Media and Business to Business marketing efforts within Franchisees Exclusive Territory, and non-monetary sponsorships within the community or gifts to select Guests in the community, such as military, police, fireman, or other service people. (Ongoing Franchise Agreement, Section 11.1 and 12.5)

We have developed a Territory-wide National Marketing Fund that You will be required to contribute to ("National Marketing Fund"). We have set the exact percentage that You must contribute to at 1.5 % of gross sales or ~~One Hundred~~one hundred and ~~Fifty Dollars~~fifty dollars ($150.00) per week, whichever is greater ~~of the previous weeks Gross Sales~~ following the date the franchised business is open to the public (Ongoing Franchise Agreement, Section 11.2) We will administer the National Marketing Fund as follows:

(a) We will control the creative concepts and the materials and media to be used, and We will determine the placement and allocation of advertisements. We may use print, television, radio, Internet or other media for advertisements and promotions. We do not guarantee that we will spend any particular amount in Your Territory, or that any particular Franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the National Marketing Fund;

(b) We may use Your contributions to meet or reimburse Us for any cost of producing, maintaining, administering (including costs of personnel), directing and conducting research and advertising (including the cost of preparing and conducting television, radio, billboard, Internet, video, video-streaming, digital signage, audio, magazine, newspaper and direct mail advertising campaigns, conventions and other public relations activities; developing and/or hosting an Internet web page of similar activities; employing advertising or public relations agencies to assist therein; and providing promotional brochures and other marketing materials to Franchisees). We initially plan to conduct all advertising in-house, or We may use a national or regional marketing agency. We will maintain Your contributions in a separate account from our other funds and We will not use them for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the National Marketing Fund;

(c) We expect to use all contributions in the fiscal year they are made. We will use any interest or other earnings of the National Marketing Fund before We use current contributions. We intend for the National Marketing Fund to be perpetual, but We have the right to terminate it if necessary. We will not terminate the National Marketing Fund until all contributions and earnings have been used for advertising and promotional purposes or have been returned to our Franchisees on a *pro rata* basis. Any funds not used in a particular fiscal year will rollover to the next fiscal year for use;

~~(d) We anticipate that the percentages of use for the National Marketing Fund will be 60% spent toward media and advertising production, 25% media placement on a national or regional basis, and around 10% of the National Marketing Fund for administrative expenses, and 5% for other expenses and follow-through;~~

~~(e)~~(d) All Pocket Deli~~™~~® Businesses owned by Us will make similar contributions to the National Marketing Fund as required of Franchisees;

~~(f)~~(e) We will have an accounting of the National Marketing Fund prepared each year and We will provide You with a copy if You request it. It is our intention to provide a copy each year at the annual convention and training seminar, discussed later in this Item. We may require that the annual accounting be audited by an independent certified public accountant at the National Marketing Fund's expense; ~~and~~

~~(g)~~(f) The National Marketing Fund is not a trust and We assume no fiduciary duty in administering the National Marketing Fund~~.~~; and

(g) We anticipate that the percentages of use for the National Marketing Fund will be 60% spent toward media and advertising production, 25% media placement on a national or regional basis, and around 10% of the National Marketing Fund for administrative expenses, and 5% for other expenses and follow-through.

(h) Although We are not obligated to do so, upon certain conditions as listed in the Ongoing Franchise Agreement, We allow You to create a Cooperative Advertising program for the benefit of all Pocket Deli~~TM~~® Businesses located in a particular region, including non-voting Franchisor owned unit(s) once there are 5 Franchisees or more in the region. You may participate in any Cooperative Advertising program established in Your region. If Cooperative Advertising is implemented in a particular region, You must participate in the Cooperative until Your renewal period, at which time You may choose to opt out. You may establish an advertising council for Franchisees in that region to self-administer the program. We do not have the power to require Cooperative Advertising programs to be created, dissolved or merged. We will require each Cooperative Advertising program to prepare periodic financial statements which are available for Your review which will delineate the amount each Franchisee will be required to contribute, which must be based upon a per location division, of a pro-rated portion of Gross Sales for the last three months split between all Franchisees in the program, and specifically not based on a per company / owner division. (Ongoing Franchise Agreement, Section 11.3)

(i) If a Franchisee advertising council is created by the Franchisees, which is their right, or by Us, the Council must advise Pocket Deli how to utilize the National Marketing Funds collected from all Franchisees. The Council must elect or appoint a board or leaders that will be the individuals to communicate at minimum quarterly with the Franchisor. There should be at minimum 1 council member for each of the 5 regions of the United States (North & Central, Northwest, Southwest, Southeast, and Northeast regions). If the Advertising Council does not select its members each year, then We have the right to choose the members based upon characteristics We feel are best for the franchise system. The advertising council board will have a mandatory meeting with the Franchisor during the annual convention. The suggestions obtained from the Franchisee advertising council will always be advisory in nature, and We have final say as to how to spend or apply the National Marketing Fund. We do not have authority to dissolve the Advertising Council. (Ongoing Franchise Agreement, Section 11.3)

(j) During Your Opening, You must spend at least Seven Thousand And Five Hundred Dollars ($7,500.00) ~~To~~to Fifteen Thousand Dollars ($15,000.00) on Grand Opening, including print or news media or direct mail advertising, dues for business organizations, event dues or other solicitation and promotional efforts. We will provide You with guidance for conducting Opening Advertising, and We will review and approve the materials You use in Your Opening Advertising. “Opening” includes 30 days prior to opening Your Franchise Business through 60 days after opening Your Franchised Business to the public. (Ongoing Franchise Agreement, Section 11.1)

2. You must list the telephone number for the Franchised Business in Your local telephone white pages directory. If You choose to advertise Your Franchised Business in the “yellow pages” it must be in the category that We specify. You must place the listings together with other Pocket Deli~~TM~~® Businesses operating within the distribution area of the directories. You must also list Your business in or on Google Places, Facebook Ads, Print Ads, Radio Ads, and Bing and Google Adwords. All online or internet-based requirements will be completed by our Marketing agency, You will be

responsible for the costs associated with this online requirement. (Ongoing Franchise Agreement, Section 11.5)

E. Computer/Software/Phone System

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

You must purchase, for use in Your Franchised Business, the computer systems, equipment, and systems We require as stated below, or as may be later modified in the Manual(s). You must acquire, install, and maintain all required items that We require, which may change from time to time, within 30 days of written notice. The average cost for purchasing or leasing all of the computer systems needed are Five Hundred Dollars ($500.00) to Two Thousand Dollars ($2,000.00). The annual costs incurred by You for the optional or required maintenance updating, upgrading or support contracts for all of the computer systems range from Eight Hundred Dollars ($800.00) to One Thousand and Five Hundred Dollars ($1,500.00) depending upon the number of licenses You have. (Franchise Agreement, Section 12.6)

You must purchase, for use in Your Franchised Business at least three computers (placement will be discussed in the Manual(s)) with the specified software installed on them. We may require that You add additional, new or substitute software, replace or upgrade Your computer systems and equipment, and enter into maintenance agreements with third parties. You must acquire, install, and maintain all required anti-virus and anti-spyware software as designated by Us in addition to any email or internet usage policies that We require within 30 days of written notice. You are solely responsible for updating the manufacturer's software on each device and ensuring that each device is not running old versions of the software. The type of data that will be stored in this computer system will be the point of sale, and accounting data; as well as, word processing documents and others You choose to install. We anticipate your computer expense will be $600 - $1,200. (Ongoing Franchise Agreement, Section 12.6)

There is currently only one approved point of sale system that You will use that satisfies our requirements. You must purchase the approved system through an approved supplier. You must purchase and install Toast, Pocket Deli version which will include the software and hardware required to operate Your Franchised Business.

Presently, We require You to have QuickBooks accounting system. Pocket Deli has obtained a multi-user franchising direct agreement with Intuit, manufacture of QuickBooks, which You may purchase through Pocket Deli, at the specially prepared Intuit website for Pocket Deli Franchisees. You will be responsible for any upgrades or updates to the system thereafter. Although We do not set the pricing, Intuit does. Currently the pricing for QuickBooks is $40 per month for the online version or a single payment of $139.96 for a 1 user QuickBooks Pro or $384.96 for a 3 User license. In addition, You must purchase the QuickBooks Learning CD if You do not currently use QuickBooks, which is currently $29.97 through Pocket Deli's Intuit website. We will have access to the accounting system through QuickBooks remote access to validate the revenue for royalties. (Franchise Agreement Section 3.6 & 12.6)

There is currently only one approved phone system that You will use that satisfies our requirements. You must purchase the approved system through Alcarico Holdings LLC. The approved system will be a VOIP phone system. We reserve the right to act as collection agent for the phone system, and collect fees You owe. You must purchase and use only the authorized phone to operate Your Franchised Business. We estimate that the Pocket Deli initial phone system will cost approximately $200 to $400 depending upon how many phones or phone lines You want.

There are other electronic components You must adhere to. Each location must have a music system on at all times during business hours which play our preapproved playlists. You must maintain a music system that will play our specified Pocket Deli music channel. You must use and maintain all camera systems as We specify in the Manual(s).

We have the right to independently access all information collected or compiled by or in accordance with Your use of the software or electronic components at any time without first notifying You. You must update or upgrade computer hardware or software as We deem necessary. (Ongoing Franchise Agreement, Sections 12.6, and 12.7)

F. E-Problem Disclaimer

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures and similar problems, and attacks by hackers and other unauthorized intruders ("E-Problems"). We have taken reasonable steps so that E-Problems will not materially affect our business. We do not guarantee that information or communication systems that We or others supply will not be vulnerable to E-Problems. It is Your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that Your suppliers, third-party vendors, lenders, landlords, and governmental agencies on which You rely, have reasonable protection from E-Problems. This may include taking reasonable steps to secure Your systems (including firewalls, password protection and anti-virus systems) and to provide backup systems. (Ongoing Franchise Agreement, Section 12.6)

G. Manual

Preliminary Agreement Site Manual –

We will provide you with a Site Selection and Leasing Training Manual. The Table of Contents for the Pocket Deli® Site Selection and Leasing Training Manual, as of the date of this Disclosure Document is as follows:

Establishment Agreement Manual –

We will provide you with a fast-casual Industry Business Establishment Training Manual. The Table of Contents for the Manual, as of the date of this Disclosure Document is as follows:

v) Federal Taxes	
c) CPA	
d) Insurance Agent	
e) Attorney	
12) POS Systems	4
a) What is it	
b) What options are available	
c) What reports should it provide	
d) What 3rd party providers should it work with	
13) Emergency Practices	5
a) Security	
b) Theft	
c) Natural Disasters (fire, earthquake, tornado, hurricane)	
d) Family emergencies for employees	
14) Policies	2
a) Privacy policy	
b) Data Security policy	
c) Credit Card policies	
d) Opening and Closing policies	
e) Money Handling policies	
15) Human Resources	6
a) Locating potential employees	
b) Interviewing	
c) Hiring	
d) Wage & Hour	
e) Reporting	
f) Taxes	
g) Handling Garnishments	
h) Handling Write-ups	
16) Customer Service	4
a) Finding the Customer	
b) Marketing to the Customer	
c) Creating Culture	
d) Greeting the customer	
e) Concluding the Sale policy	
f) Return policies	
g) After Sale Marketing	

Ongoing Franchise Agreement Operations Manual –

We will loan to You, during the term of the Ongoing Franchise Agreement, one copy of the Set of Manuals containing reasonable and mandatory specifications, standards, operating procedures and rules prescribed by Us for Pocket Deli™® Businesses and information relative to Your other obligations and the operation of a Pocket Deli™® Business. You must maintain a current, updated copy of the Set of Manuals. If there are any disputes over the contents of the Manual, the terms of the master copy maintained at our headquarters will control. Our interpretations of the provisions of the Manuals are controlling, and You must abide by our interpretations. We will have the right to periodically add to and otherwise modify the Manuals to reflect changes in the specifications, standards, operating procedures and rules required by Us for Pocket Deli™® Businesses, provided no addition or modification will materially change Your fundamental status and rights under the Ongoing Franchise Agreement or require You to spend unreasonable additional capital investment. (Ongoing Franchise Agreement, Article 9)

~~The Table of Contents for the Manuals, as of the date of this Disclosure Document are as follows:~~

If You choose, and We accept for you to become a Pocket Deli Franchisee, you will receive the following additional Manual.

POCKET DELI ~~MANUALS~~ONGOING FRANCHISE MANUAL(S)		**Page Count**
~~I.~~	~~Table of Contents~~	
ARTICLE I.	WELCOME TO POCKET DELI FRANCHISING®	5
ARTICLE II.	FRANCHISOR MANAGEMENT	3
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We have a compilation of ~~One (1~~Three (3) Manual(s) and materials that ~~total 356~~over 467 pages. Failure to follow the mandatory specifications, standards or operating procedures in the ~~Manuals,~~Ongoing Franchise Manual(s), as amended from time to time, may constitute a material breach of the Ongoing Franchise Agreement. If such a material breach is not cured within thirty (30) days of receipt of the written notice from Us of default, We may terminate the Ongoing Franchise Agreement. (Ongoing Franchise Agreement, Section 16.2)

H. Training

You will complete Four levels of training, a pre-training text; the Initial Training text; the Soft Opening Training which shall be completed prior to opening to the general public; and the Grand Opening Program. You must complete the ~~Pre-~~Site Training Program of approximately 33 hours of training prior to ~~coming to~~attending the ~~Initial Training~~Business Establishment training Program~~.~~, which is an approximate 59 hours of training. Upon completion of the Site Training, You will submit the test and other requested documents attached in the Preliminary Agreement notifying Us that You have completed the ~~Pre-~~Site training, and are ready to continue on to the Business Establishment Training.

You must ~~successfully~~ complete the ~~Initial~~Business Establishment Training ~~program (which You became eligible for after You successfully passed and submitted the Preliminary~~Program prior to attending the Ongoing Franchise Agreement ~~and Must be~~ training Program. Upon completion of the Establishment training, You will submit the test and other requested documents attached in the Establishment Agreement notifying Us that You have completed ~~Forty (40) days after signing the Lease~~the Business Establishment training, and ~~includes~~ are requesting to be considered for a ~~drug test, Child Protective Services check, DOJ report, etc.,~~Pocket Deli franchise.

Upon approval and confirmation that You have successfully completed the Site and Business Establishment Training programs, We will conduct ~~an Initial~~the Ongoing Franchise Agreement Training program, either online or in person at our option, of approximately ~~fourteen (~~14~~) days,~~ calendar day(s), that the Franchisee (which is You, if You are not a corporation or other business entity), and all Internal Manager(s), must attend and complete to our satisfaction. Although ~~Initial Training~~under the Ongoing Franchise Agreement training is mandatory, You may bring additional trainees. Each additional trainee will be charged ~~One Thousand and Five Hundred Dollars ($~~$1,500~~.00)~~ per day, or $3,000 for the full

~~fourteen (~~14~~) days~~ calendar day(s) of training. Training will take place at our headquarters location, online, or at another location or locations We designate. The ~~Initial Training~~Ongoing Franchise Agreement training program covers all material aspects of the operation of a Pocket Deli~~™~~® Business, including such topics as: Management, Accounting, POS System, Ordering Goods, Baking, Preparing Sandwiches, and Opening and Closing. All Trainees must complete ~~initial~~the Ongoing Franchise Agreement training to our satisfaction. We expect Franchisees will advance through the training program at different rates depending on a variety of factors such as background and experience. Accordingly, the time frames provided in the following chart are an estimate of the time it will take to complete training. ~~If You replace Your Internal Manager, Your new Internal Manager must attend our training program. You must pay for all travel costs and living expenses for all Your attendees. We reserve the right to charge You for the training of a new Internal Manager at the then daily rate. You are responsible for training Your own employees and other management personnel. This Initial Training is in addition to the on-the-job assistance We provide to You. (Franchise Agreement, Article 8)~~

If You replace Your Internal Manager, Your new Internal Manager must attend our Ongoing Franchise Agreement training program. Although We do not charge for the initial Ongoing Franchise Agreement training, You must pay the Ongoing Franchise Agreement re-training fee described in the Manual for new attendees. Additionally, You must pay for all travel costs and living expenses for all Your attendees. You are responsible for training Your own employees and other management personnel. ~~After initial~~ This Ongoing Franchise Agreement training is in addition to the on-the-job assistance We provide to You. (Ongoing Franchise Agreement, Article 8)

After Ongoing Franchise Agreement training, You will register for the OnSite Training. The OnSite Training consists of 2 business day(s)of onsite pre-opening and Soft Opening training for You and Your Staff. Immediately prior to the Soft Opening date, Franchisor shall provide Two (2) days of pre-opening training, which shall ensure that all materials, equipment, preparations and staff are prepared for Soft Opening. Upon the completion of the Pre-Opening training, Franchisor and Franchisee shall Open the Pocket Deli Business to the invited soft opening individuals. Franchisor shall provide support to Franchisee through the Soft Opening Training program, which consists of two (2) days additional days of hands on training at the Franchisee's location. (Ongoing Franchise Agreement 8.1)

After ~~initial~~Ongoing Franchise Agreement training and You have successfully completed the Soft Opening time period described in the Manual(s), You will register for the OnSite Grand Opening Training. The OnSite Grand Opening Training consists of one business day(s) of onsite pre-opening and Grand Opening training for You and Your Staff. Immediately prior to the Grand Opening date, Franchisor shall provide Two (2) days of pre-opening training, which shall ensure that all materials, equipment, preparations and staff are prepared for Grand Opening. Upon the completion of the Pre-Opening training, Franchisor and Franchisee shall Open the Pocket Deli Business to the public. Franchisor shall provide support to Franchisee through the Grand Opening Training program, which consists of two to three (2-3) additional days of hands on training at the Franchisee's location. All travel room, board, and expenses for Franchisor trainer is Franchisee's responsibility. (Ongoing Franchise Agreement 8.1)

You will be required to provide written and photographic proof, if requested by Us, of all opening marketing and Local Advertising performed in connection with Your Grand Opening. Said proof shall be submitted to Us along with Your Monthly Gross Sales Report. (Ongoing Franchise Agreement 8.2)

TRAINING PROGRAM(S)

Site and Leasing Training

	Subject [1]	Hrs. of Training [1]	Hours of On-the-job Training	Location / Instructor(s) [3]
	Types of locations and site criteria	1	0	Your Location
	Steps and Terms of the Lease	2	0	Your Location
	Types of leases	1	0	Your Location
	Finding a Real Estate Professional	2	0	Your Location
	Marketing Analytics & Research	12	0	Your Location
	Obtaining site data	2	0	Your Location
	Uncovering special needs for your industry	1	0	Your Location
	Evaluating Competitors	10	0	Your Location
	Locating Your Business	2	0	Your Location
	Total Training Hours	**33**	**0**	

Business and Establishment Training

	Subject [1]	Hrs. of Training [1]	Hours of On-the-job Training	Location / Instructor(s) [3]
	Creating the Company	2		Your Location
	Banking and credit cards	2		Your Location
	Utilities and Services	3		Your Location
	Licenses and permits	2		Your Location
	Signs	3		Your Location
	Your Tax Obligations	3		Your Location
	Insurance	2		Your Location
	General contractors	3		Your Location
	Equipment and supplies	4		Your Location
	Furnishings and design	3		Your Location
	Professionals needed	3		Your Location
	POS Systems	5		Your Location
	Emergency Practices	5		Your Location
	Policies	10		
	Human Resources	5		
	Customer Service	4		
	Total Training Hours	**59**	**0**	

Ongoing Operations Training

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

Pre-Training for the Ongoing Franchise System

	Subject [1]	Hrs. of Training [1]	Hours of On-the-job Training	Location / Instructor(s) [3]
	Food Handlers Card	8	0	Your Location
	~~Quickbooks~~QuickBooks Training	2	0	Your Location
	Legal Entity	4	0	Your Location
	Read, "Setting The Table"	10	0	Your Location
	DMV Report	6	0	Your Location
	Managers: Read "One Minute Manager"	10	0	Your Location
	Total Training Hours	40		

~~Initial~~Pocket Deli Franchise Training

	Subject [1]	Hrs. of Training [1]	Hours of On-the-job Training	Location / Instructor(s) [3]
	Introductions/Pre-Training Test	2	0	Rancho Cordova, CA/Our Corporate Trainer(s)
	Management	6	0	Rancho Cordova, CA/Our Corporate Trainer(s)
	Staffing	2	4	Rancho Cordova, CA/Our Corporate Trainer(s)
	Customer Service	1	2	Rancho Cordova, CA/Our Corporate Trainer(s)
	Accounting	2	0	Rancho Cordova, CA/Our Corporate Trainer(s)
	Maintenance/Equipment	1	4	Rancho Cordova, CA/Our Corporate Trainer(s)
	Marketing	6	1	Rancho Cordova, CA/Our Corporate Trainer(s)
	POS System	4	4	Rancho Cordova, CA/Our Corporate Trainer(s)
	Catering	4	6	Rancho Cordova, CA/Our Corporate Trainer(s)

	Subject [1]	Hrs. of Training [1]	Hours of On-the-job Training	Location / Instructor(s) [3]
	Ordering Food/Paper Goods	1	2	Rancho Cordova, CA/Our Corporate Trainer(s)
	Bread prep/Mixing Dough/Baking	4	16	Rancho Cordova, CA/Our Corporate Trainer(s)
	Slicing	0	2	Rancho Cordova, CA/Our Corporate Trainer(s)
	Preparing Sandwiches/Salads	2	10	Rancho Cordova, CA/Our Corporate Trainer(s)
	Opening Store	4	5	Rancho Cordova, CA/Our Corporate Trainer(s)
	Lunch Rush	1	10	Rancho Cordova, CA/Our Corporate Trainer(s)
	Food Rotation	30minutes	1	Rancho Cordova, CA/Our Corporate Trainer(s)
	Closing Store	1	6	Rancho Cordova, CA/Our Corporate Trainer(s)
	Total Training Hours	**41.5**	**73**	

1 Training classes are held quarterly, or on an as needed basis.

2 Length of time spent on a subject and nature of subjects taught may vary depending upon an individual's experience and ability.

3 Training may not be necessary for the full-time frame. The numbers of hours listed in this section also include hours spent training on site at the Franchisee's Business.

Training may be provided by Allen Zarou ~~or~~, Brandon ~~Blakerby,~~, as well as other members of Franchisor's ~~staff,~~or an Affiliates current staff ~~or an Approve Vendor's staff.~~. The above listed persons' qualifications are included in Item 2. No trainer will have less experience than what we require You to have prior to opening. Trainers not listed in Item 2 include: Cari Zarou Cari Zarou's experience includes.

If circumstances require, a substitute trainer may provide training. We also reserve the right to name additional trainers periodically. There are no limits on our right to assign a substitute to provide training. We may use Your location as a training facility upon notice. If We elect to use Your Franchised Business for training others, We will provide to You, instead of paying You, which is to be considered payment in full, for use of the facilities, the ability for You to enroll Your employees or contractors into the training class being taught by Franchisor free of all charges. There is no limit on the number of times during the Ongoing Franchise Agreement that We can use Your Franchised Business.

Periodically, We may require the previously trained and experienced Internal Manager, Your other managers and/or employees to attend refresher-training programs to be conducted at our headquarters or other locations We designate. Attendance at these programs will be at Your expense ; however, We will not require You to attend more than quarterly of these programs in any calendar year and these programs will not collectively exceed Twenty-Eight ~~(28)~~ days during any calendar year not including any annual convention that is held by Us. You will be responsible for all travel costs, room and board and employees' salaries incurred in connection with Your, Your Internal Manager, and/or Your employees' attendance at such training.

We will provide You with Ongoing Assistance as You request and/or We deem necessary. However, if You need Special Assistance, or if We must deal directly with the Your clients, Your vendors or others directed by You, You will pay the Additional Assistance fee equal to the then-current daily rate as set forth in the Manual, payable by ACH Withdraw, every Tuesday following the support overage~~. (~~, (Ongoing Franchise Agreement, Section 8.5)

From time to time, We may provide additional training. If We provide additional training~~,~~ We have the right to require that Your, Your Internal Manager, and/or Your employees' attend additional training programs. We will charge One Thousand ~~and~~And Five Hundred Dollars ($1,500.00) per session for additional training at Our facility.

Following the death or incapacity of You or an owner of Your Franchised Business, We may assume operation of Your Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by Us, up to a maximum of six weeks (6).

We shall charge a temporary management fee, currently Sixty-Five Dollars ($65.00) per hour ($65.00) during the time We are operating Your Franchised Business and We will also be entitled to reimbursement of any expenses We incur that are not paid out of the operating cash flow of Your Franchised Business.

We provide annual training at the National or Regional Convention. We charge a fee of ~~One Thousand and Five Hundred Dollars ($1,500.00) for two attendees with a nonattendance penalty of Three Thousand Dollars ($3,000.00)~~no to provide ~~only~~all None of the ~~convention entrance fees. All other fees will be at Your expense.~~Above costs for up to two people. Your attendance is mandatory.

ITEM 12 - TERRITORY

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

We will grant You an Exclusive Territory which will be delineated by a specific geographic boundary. The Territory will be a 0.5-mile radius around Your Pocket Deli Business. We will also consider market considerations as determined by Us in our sole discretion to establish Your Territory (the "Territory"). Upon entering into a lease, which has been approved by Us with all applicable lease rider provisions We require, for the location of Your Pocket Deli Business, a written description of Your Territory will be provided to Us and will be inserted into the Franchise Agreement either prior to signing or as an addendum, depending upon the timing of the selection. We will approve additional units developed under Your Area Development Agreement using Our then-current site selection criteria.

You will not have a First Right of Refusal to obtain or acquire additional franchise territories that are contiguous with Your Territory.

If You are in compliance with the Ongoing Franchise Agreement during its term, We will not establish more Pocket Deli~~™~~® Businesses or any substantially similar franchised or company-owned businesses in Your Territory ("Territory"). ~~However,~~

Reservation of Rights

We have the right to: (a) establish, own or operate, or continue to own or operate, and license others to establish, own or operate, or continue to own or operate Pocket Deli~~™~~® Businesses outside of the Territory; (b) establish, own or operate, and license others to establish, own or operate, or continue to own or operate, other businesses under other systems using other trademarks at locations inside or outside of the Territory; (c) purchase or acquire the assets or controlling ownership of one or more businesses identical or similar to the Franchised Business (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Territory; (d) be acquired by any business, even if the other business operates, franchises and/or licenses Competitive Businesses within the Territory; (e) provide the services and sell any products authorized for Pocket Deli~~™~~® Businesses using the Marks or other trademarks and commercial symbols through alternate channels of distribution, such as joint marketing with partner companies, within Non-Traditional locations and Internet sales and catalog sales, but We will not make any sales to Competitive Businesses inside of the Territory; and/or (f) engage in any other activities not expressly prohibited in the Ongoing Franchise Agreement. We will not pay You any compensation for soliciting or accepting orders within the situations described above.

We and our Affiliates, if applicable, will not operate and have no plans to operate or franchise a business under a different trademark that will sell goods or services that are the same as or similar to those the franchisee will sell.

Key Accounts -

Notwithstanding the above, ~~we~~We may enter into agreements with certain "~~key accounts~~Key Accounts", or "National Accounts" permit other ~~franchisees~~Franchisees (on terms and conditions more specifically described in the Manuals) to enter into agreements with such ~~key accounts~~Key Accounts that contemplate performance in ~~your territory~~Your Territory of sales or parties, or other services or products. A ~~key account~~Key Account means any (a) potential or existing commercial customer that has multiple sites, offices, or retail premises, at least one of which is located outside ~~your territory~~Your Territory, (b) any retail, manufacturing or wholesale company, contractor, or similar business whose clientele or employees includes potential customers for regular services or products or team building exercises, and (c) operators of web sites (or similar referral sources) that offer to refer customers to ~~us~~Us and ~~our franchisees~~Our Franchisees for a fee. You are considered to have opted in to all ~~key account~~Key Account agreements unless and until ~~you~~You expressly opt out of one or more agreements that ~~we~~We present to ~~you~~You. If ~~you~~You choose to opt out with respect to any ~~key account~~Key Account in ~~your territory~~Your Territory, or if ~~you~~You fail to provide sales, or other services to a particular ~~key account~~Key Account in the ~~territory~~Territory on any two occasions in a 12-month period, ~~we~~We may provide or grant others the right to provide sales, or other services with respect to that particular ~~key account~~Key Account in the ~~territory~~Territory for the remainder of the Ongoing Franchise Agreement term. There is no requirement that ~~we~~We compensate you for soliciting or accepting these orders if ~~you~~You elect not to participate. (Ongoing Franchise Agreement Section 2.8)

Minimum Performance Obligations

The continued right of Your Territory does depend on Your Gross Sales volume. You must ~~accumulate and~~ maintain at least Three Hundred and Eighty Thousand Dollars ($380,000.00) ~~within Your~~for the first year, ~~Your second year will require a 20% growth of Your actual year one earnings, Your third year will require a 10% growth of Your actual year two earnings, and Your fourth year and beyond, you must maintain, at minimum, the same growth from Your third~~($360,000.00) within the first year. We have the right to increase the minimum requirements at any time with notice. If You do not maintain the minimum Gross Sales standards it will be grounds for a Notice of Termination with 90 days right to cure. We cannot change the Territory without Your consent. (Ongoing Franchise Agreement, Sections 2.5, 2.6 and 2.7)

You may not relocate the Franchised Business without Our prior written consent. If the lease for the Approved Location expires or terminates through no fault of You or if the Franchised Business's premises is destroyed, condemned or otherwise rendered unusable or as otherwise may be agreed upon in writing by both You and Us, We may allow You to relocate the Franchised Business. If We do, there is no applicable relocation evaluation fee. Any such relocation will be at Your sole expense, and must follow the requirements of Section 5.8 of the Ongoing Franchise Agreement including all timeframes. There may need to be modifications by Us, to reflect the new circumstances. We have the right to charge You for any costs incurred by Us in providing assistance to You, including, legal and accounting fees. Otherwise, We have no obligation to provide relocation assistance. If We do not approve of any relocation site, the Ongoing Franchise Agreement and Territory would revert to Us.

ITEM 13 - TRADEMARKS

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

Registrations and Applications

We grant our Franchisees the right to operate Pocket Deli~~™~~® Businesses under the name ~~"~~Pocket Deli~~"~~ which is the principal Mark used to identify our System. You may also use any other current or future Mark to operate Your Franchised Business that We designate in writing, including the logo on the front of this Disclosure Document and the trademarks listed below. By "Mark", We mean any trade name, trademark, service mark or logo used to identify Pocket Deli~~™~~® Businesses. As of the date of this Disclosure Document, Alcarico Holdings, LLC~~,~~ has filed the registration, and all required Affidavits for the following Marks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Mark	International Classification	Registration Number	Filing Date
	043	4,963,418	May 24, 2016
What's in Your Pocket?	043	Pending	Pending
Baked Daily Chopped Often Stuffed On Demand	043	Pending	Pending

Alcarico Holdings LLC (AHL~~)~~), has granted Us a license to use and sublicense to use the above-mentioned Marks, dated April 25, 2019. The term of the license is for 99 years. The license agreement may be terminated if We take any affirmative act of insolvency, if a receiver or trustee is appointed to take possession of our properties and is not discharged within 90 days, if We wind up, sell, consolidate or merge our business, or if We breach any of our duties and obligations under the license and do not cure the breach within 60 days following written notice of the breach. Within the license agreement, the term “Marks” includes any other trade names, service marks, trademarks, designs, logos, slogans and commercial symbols now in existence or later adopted by ~~Alcarico Holdings LLC,~~ AHL that are used in connection with the System. This license agreement licensed to Us any future trademarks acquired by AHL as well. In the event that Alcarico Holdings LLC terminates our Agreement with them, they must honor all Franchisees sublicense agreements, including the right to renew.

Proceedings

We know of no currently effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of this state or any court; pending infringement, opposition or cancellation; or pending material litigation involving the Marks.

Agreements

Except as stated above, there are no agreements currently in effect that significantly limit our rights to use or to license the use of the Marks in any manner material to the franchise.

Infringing Uses

We know of no infringing or prior superior uses that could materially affect the use of the Marks in this State or any other state in which the Franchised Business is to be located.

Your Rights and Obligations with Respect to the Proprietary Property Including the Proprietary Mark

All usage of the Marks by You and any goodwill established through Your use will exclusively benefit Us. You will not receive any rights to the Marks other than the nonexclusive right to use them in the operation of Your Franchised Business. You may only use the Marks in accordance with our standards, operating procedures and specifications. Any unauthorized use of the Marks by You is a breach of the Ongoing Franchise Agreement and an infringement of Our rights in the Marks. You may not contest the validity or ownership of the Marks, including any Marks that We license to You after You sign the Ongoing Franchise Agreement. You may not assist any other person in contesting the validity or ownership of the Marks.

We will protect You against claims of infringement or unfair competition arising from Your use of any Marks provided (a) You immediately notify Us of any apparent infringement of, or challenge or claim to Your use of any Marks, (b) You are in complete compliance with Your Ongoing Franchise Agreement; (c) You allow Us to take whatever action We deem appropriate in these situations. This means We have exclusive control over any settlement or proceeding concerning any Mark; and (d) You agree to be a witness in any legal, mediation, or arbitration proceeding on our behalf. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks. You may not communicate with any person other than Us and our counsel regarding any infringements, challenges or claims, however, You may communicate with Your own counsel at Your own expense.

You must use the Marks as the sole trade identification of the Franchised Business; however, You may not use any Mark or part of any Mark as part of Your business entity name in any modified form. You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner that We do not authorize in writing. You must obtain a fictitious or assumed name registration if required by Your state or local law.

You must notify Us in writing before applying for Your own trademark or service mark registrations, whether state or federal. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks.

You may not advertise on the Internet using, or establish, create or operate an Internet site or website using any domain name containing, the words “”Pocket Deli” or any variation thereof without our prior written consent.

We have established and will maintain from time to time a website (the “Website”). We have discretion and control over the design and content of the Website. We may, at our sole option, from time to time, without prior notice to you: (i) change, revise, or eliminate the design, content and functionality of the Website; (ii) make operational changes to the Website; (iii) change or modify the URL and/or domain name of the Website; (iv) substitute, modify, or rearrange the Website, at our sole option, including in any manner that we consider necessary or desirable to, among other things, (A) comply with applicable laws, (B) respond to changes in market conditions or technology, and (C) respond to any other circumstances; (v) limit or restrict end-user access (in whole or in part) to the Website; and (vi) disable or terminate the Website without any liability to you.

We may Link the Website to the websites of third parties, including electronic service providers, Affiliates and other providers of goods and services. We may also permit third parties to Link (including Deep Links to any interior page of the Website, including your Page) and frame the Website (including your Page). We may place legal notices, disclaimers, our corporate logos and slogans, advertisements, endorsements, Marks, and other identifying information on the Website, all of which may be modified, expanded, or eliminated at our option. Further, we may establish or participate in programs pursuant to which we refer end-users to other websites, or we receive referrals from other websites. All consideration (monetary and non-monetary) received by us on account of the placement or sale of advertisements, endorsements, and sponsorships on the Website (including any franchisee Page), and all consideration (monetary and non-monetary) received by us on account of affiliate programs, will belong only to us. We may also establish programs that encourage repeat business by end-users.

The Website may include one or more interior pages that identify Pocket Deli™® franchisees operating under the Marks, including the Franchised Business, by among other things, geographic region, address, telephone numbers, and other appropriate matters. The Website may also include one or more interior pages dedicated to franchise sales by us and/or relations with our investors.

We may, from time to time, establish the Franchisee Page. We may permit you to customize or post certain information to the Franchisee Page, subject to your signing and delivery of our then-current participation agreement, and your compliance with the procedures, policies, standards and specifications that we may establish from time to time. Such participation agreement may require you to pay a reasonable fee (not to exceed $250 per month) for the privilege of having a Franchisee Page, and may include, but shall not be limited to, specifications and limitations for the data or information to be posted to the Franchisee Page, customization specifications, the basic template for design of the Franchisee Page, parameters and deadlines specified by us, disclaimers, and such other standards and specifications and rights and obligations of the parties as we may establish from time to time. Any modifications (including customization, alterations, submissions or updates) to the content made by you for any purpose will be considered to be made under a contract of service under the Copyright Act, and therefore we will own the modifications and the intellectual property rights, including all right, title and interest in and to all copyright in such modifications. To the extent any modification does not qualify as a work made under a contract of service as outlined above, you assign those modifications, and all right, title and interest in and to all copyright in such modifications to us for no additional consideration and with no further action required and shall sign and deliver such further assignments as we may request.

Without limiting our general unrestricted right to permit, deny and regulate your participation on the Website, if you breach or default under the Ongoing Franchise Agreement, or any other agreement with us or our Affiliates, we may disable or terminate the Franchisee Page and remove all references to the Franchised Business on the Website and/or redirect customer leads to other Pocket Deli™® franchisees pursuant to Section 16 of the Ongoing Franchise Agreement until the breach or default is cured to our satisfaction and you provide written notice that you have cured such breach or default to us.

We have no control over the stability or maintenance of the Internet generally; as a result, we are not responsible for damage or loss caused by errors of the Internet. Furthermore, we are not liable for any direct, indirect, general, special, incidental, exemplary or consequential damages arising out of the use of, or the inability to use, the Website or the Internet, including loss of profits, goodwill, or savings; downtime; or damage to or replacement of programs and data, whether based in contract, tort, product liability, or otherwise.

We have the sole right to maintain Social Media sites and applications such as: Twitter, Facebook, LinkedIn, Pinterest, Yelp, Instagram, Snapchat and other sites and applications that We may establish. We do not allow You to establish or utilize Social Media sites or applications for business purposes, without our express written permission, and then only by using preapproved materials or campaigns. You and Your employees do not have the right to utilize the Marks listed in this disclosure document, on any Social Media sites or applications, even if made from a personal Social Media account. Further, any representations from You, or Your employees regarding Your profits or earnings made on any Social Media site or application, even if made from a personal Social Media account, are deemed a breach of Confidential Information under the Ongoing Franchise Agreement.

The Development Agreement does not grant the right to use the Marks or the right to license others to use the Marks. Use of the Marks is granted only under the Ongoing Franchise Agreement.

Indemnification of You

We will reimburse You for all of Your expenses reasonably incurred in any legal proceeding disputing Your authorized use of any Mark, but only if You notify Us of the proceeding in a timely manner and You have complied with our directions with regard to such proceeding. We have the right to control the defense and settlement of any such proceeding. We will not reimburse You for Your expenses and legal fees for separate, independent legal counsel or for any expenses in removing signage or discontinuing Your use of any Mark. We will not reimburse You in connection with disputes where We challenge Your use of a Mark.

Modification

We can require You to modify or discontinue the use of any Mark and/or to use other trademarks or service marks. If We adopt and use new or modified Marks, You may be required to add or replace supplies, signs and fixtures, and You may have to make other modifications as necessary to maintain uniformity with our current standards and specifications; however, You will not be required to spend more than Your initial investment during the initial term of the Ongoing Franchise Agreement. We will not be required to reimburse You for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. We are not obligated to reimburse You for any loss of goodwill associated with a modified or discontinued Mark, .

ITEM 14 - PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

Under the Ongoing Franchise Agreement, You agree not to contest, directly or indirectly, our ownership, title, right or interest in our common law rights, copyrights, Trade Dress, Trade Secrets, Confidential Information, the System, methods, procedures or any other intellectual property rights that are part of our System or contest our sole right to register, use or license others to use (except as limited by the Ongoing Franchise Agreement) the common law rights, copyrights, Trade Dress, Trade Secrets, Confidential Information, the System, methods, procedures or any other intellectual property rights that are part of our System.

Patents

We do not possess any patents relative to this system.

Copyrights

We own copyrights in the Manual, our website, and other copyrightable items that are part of the System. While We claim copyrights in these and similar items, We have not and are not required to register these copyrights with the United States Registrar of Copyrights. You must use these items only as We specify while operating the Franchised Business and You must stop using these items if We direct You to do so. You may not duplicate or disclose any portion of the Manual in an unauthorized manner. Further, all information is proprietary, and the Ongoing Franchise Agreement and the Development Agreement require You to keep such information confidential.

Proceedings

We know of no currently effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Except as stated above, our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

Confidential Information

We have developed certain Trade Secrets and other Confidential Information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Pocket Deli~~™~~® Business. We will provide our Trade Secrets and other Confidential Information to You during training, in the Manual and as a result of the assistance We furnish You during the term of the franchise. You may only use the Trade Secrets and other Confidential Information for the purpose of operating Your Franchised Business. You may only divulge Trade Secrets and other Confidential Information to employees who must have access to it in order to operate the Franchised Business. You are responsible for enforcing the confidentiality provisions as to Your employees.

Certain individuals with access to Trade Secrets or other Confidential Information, including the owners, directors and any managers of the business (and members of their immediate families and collaterals (which includes succession in an oblique line, for example passing it from brother to brother or cousin to cousin, whereas the two parties are related through some and any common ancestor), are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Non-Disclosure and Non-Competition Agreement attached to the Ongoing Franchise Agreement. A collateral relative is any blood relative who is not your direct ancestor. Your ancestors are your parents, grandparents, great-grandparents, etc., and your collateral relatives are cousins, nieces, nephews, aunts, uncles, siblings, etc. We will be a third-party beneficiary with the independent right to enforce the agreements.

Proprietary Information

Alcarico Holdings LLC~~,~~ (AHL~~,~~), has granted Us a license, dated April 25, 2019, to use and sublicense for the use of its domain name www.pocketdeli.com. The term of the license is for 99 years; however, the license agreement may be terminated if We take any affirmative act of insolvency, if a receiver or trustee is appointed to take possession of our properties and is not discharged within 90 days, if We wind up, sell, consolidate or merge our business, or if We breach any of our duties and obligations under the license and do not cure the breach within 60 days following written notice of the breach, You will have continued right to the proprietary information even if We are terminated.

We have the sole right to maintain Social Media sites and applications such as: Twitter, Facebook, Pinterest, LinkedIn, Yelp, Instagram, Snapchat and other sites and applications that We may establish. We do not allow You to establish or utilize Social Media sites or applications for business purposes. You and Your employees do not have the right to utilize any of the Trade Secrets and Confidential Information stated above, or the common law copyrighted materials including the guidelines, curriculums, classes, management and business training, community building mechanisms, vision statements, books, signage, promotional materials, Manual, training materials, Ongoing Franchise Agreements, and any other documents, materials and items for the general ambiance and decor used in the operation of the System and the Pocket Deli~~™~~® Businesses on any Social Media sites or applications, even if made from a personal Social Media account. Further, any representations from You, or Your employees regarding Your profits or earnings made on any Social Media site or application, even if made from a personal Social Media account, is deemed a breach of Confidential Information under the Ongoing Franchise Agreement, and You will be responsible for indemnifying and reimbursing Us all legal, penalties, fines, and court costs associated with Your unauthorized representations.

All ideas, concepts, techniques or materials concerning the Franchised Business, whether or not protectable intellectual property and whether created by or for You or Your owners or employees, must be promptly disclosed to Us and will be deemed our sole and exclusive property and a part of the System that We may choose to adopt and/or disclose to other Franchisees. Likewise, We will disclose to You concepts and developments of other Franchisees that We make part of the System. You must also assist Us in obtaining intellectual property rights in any concept or development if requested.

Indemnification of You

We will reimburse You for all of Your expenses reasonably incurred in any legal proceeding disputing Your authorized use of any patent or copyright, but only if You notify Us of the proceeding in a timely manner and You have complied with our directions with regard to such proceeding. We have the right to control the defense and settlement of any such proceeding. We will not reimburse You for Your expenses and legal fees for separate, independent legal counsel or for any expenses in removing signage or discontinuing Your use of any patent or copyright. We will not reimburse You in connection with disputes where We challenge Your use of a patent or copyright.

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

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

The Franchised Business must always be under the direct supervision of a Designated Internal Manager, which can be You. The Designated Internal Manager, You, if You are an individual, or one of Your shareholders or partners, must devote their personal attention to the full time, day-to-day operation of the Franchised Business unless pre-approved in writing. At all times of operation, You may employ a Internal Manager responsible for running the Franchised Business on a full time basis. The Designated Internal Manager must be the person You designate in writing (and approved by Us in writing) and have primary responsibility for managing the day-to-day affairs of the Franchised Business.

Unless We otherwise agree in writing, You must be one of the Trainees. You must keep Us informed of the identity of Your current Designated Internal Manager. The Internal Manager must devote his or her best efforts to the management and operation of Your Pocket Deli Franchise. After Your first year of operation, You may hire any Internal Manager acceptable to Us rather than be the Internal Manager but this will increase the cost of operation of Your Pocket Deli Franchise and may impair results. Any replacement or additional Internal Managers that You hire must complete the ~~Initial Training~~Ongoing Franchise Agreement training class before taking their position within Your Pocket Deli Franchise, unless We otherwise agree in writing. You are responsible for the expenses of additional Training, including tuition, travel, lodging, meals and salary. All of Your employees must be legal residents of the United States of America and be able to provide documentation of such. All Internal Managers and supervisory associates must sign a Confidentiality Agreement which prohibits them from disclosing proprietary information related to the Franchise, or the System, as described in Item 14, and contains covenants not to compete during and after employment for a period of ~~three~~two years, as described in Item 17. The Internal Managers, (including their collaterals) must not have an interest or business relationship with any of Pocket Deli's competitors. Your Internal Managers must sign our form of Non-Disclosure and Non-competition Agreement before You grant access to the Manuals or any other Confidential Information. Additionally, in keeping with our culture and our Pocket Deli Vision, all of Your employees must conform to the dress code as specified in the Manual, if applicable, must accommodate all religion requirements, and at all times be non-discriminatory, and be willing to comply with drug tests, if applicable, background checks, and the non-disclosure, non-compete provisions contained in the Ongoing Franchise Agreement Exhibits and in the Manual(s).

If You are a business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of Your obligations under the Ongoing Franchise Agreement and Development Agreement and agree to be personally liable for Your breach of the Ongoing Franchise Agreement and Development Agreement by signing the Guaranty and Assumption of Obligations attached to each agreement. The onsite Internal Manager's do not have to have any percent of ownership in Your business entity to handle the day-to-day supervision of the operation of Your Pocket Deli Franchise.

You are not Our employee but are Your own boss subject to our rights under Your Ongoing Franchise Agreement. We require You to be active in the operation of Your Pocket Deli Franchise. We do not require any personal participation of any specific person affiliated with a corporate or partnership Franchisee. You agree that Your Franchise is not a "passive" investment but requires You or Your Internal Manager's day-to-day supervision of the operation of Your Pocket Deli Franchise.

ITEM 16 - RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

You must offer the services, and products We specify periodically in strict accordance with our standards and specifications. You may not sell any services, classes or products that We have not authorized in writing and You must discontinue offering any services, classes or products that We may disapprove within Thirty (30) days. Pocket Deli may modify any of its specifications, standards, or requirements as and when it deems necessary and You must promptly modify Your operation or product lines accordingly. There are no limits on our right to do so. If We modify the System, You may be required to add or replace equipment, supplies, signs and fixtures, and You may have to make improvements or modifications as necessary to maintain uniformity with our current standards and specifications. Additionally, We may require You to refurbish the Franchised Business once every seven (7) years.

In addition, You must keep the Franchise Business open for the hours specified by the lease where Your Business is located, if applicable, and may not use the Franchised Business premises for any purpose other than the operation of a Franchised Business according to our requirements, and may only advertise through Pocket Deli-approved media.

You must accommodate all religion requirements, and at all times be non-discriminatory. You must not engage in any activity, conduct or practice that is contrary to Our or Your best interest, or that is reasonably anticipated to result in litigation with suppliers or customers of Your Franchised Business, or in public criticism of Pocket Deli or Your Franchised Business generally.

Periodically, We may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon such factors as We determine, including test marketing for the purpose of customer or operational feedback or evaluation, Your qualifications, and regional or local differences. Neither You nor We have any rights to charge, offer or sell any product or service above a certain percentage of suggested retail as disclosed in the Manual(s) from time to time, currently twenty percent (20%) mark-up of the then-suggested retail pricing. Additionally, You will be required to honor all pricing published in national advertising for products and services.

You may recommend other suppliers than are on our approved list. We will evaluate Your recommended suppliers to determine if their products meet our specifications and requirements.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This section is only applicable If You apply to become and are awarded a Pocket Deli franchise.

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

THE FRANCHISE RELATIONSHIP		
Provision	**Section In the Ongoing Franchise Agreement**	**Summary**
a. Length of the term of the franchise	Section 4.1	The initial term is 10 years.
b. Renewal or extension of the term	Section 4.2	You may renew Your Ongoing Franchise Agreement for an additional term of 10 years, subject to (c) below. If You fail to meet any one of these conditions, We may refuse to renew or extend the terms of Your Ongoing Franchise Agreement. ~~You will be required to sign a then-current~~Some items in the renewal Ongoing Franchise Agreement~~, which~~ may ~~have materially~~ be different~~ terms and conditions~~.
c. Requirements for You to renew or extend	Section 4.2	You may renew the Ongoing Franchise Agreement if You: have fully complied with the provisions of the Ongoing Franchise Agreement and have cured any Notices of Default; have the right to maintain possession of the Approved Location or an approved substitute location for the term of the renewal; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to Us, Our subsidiaries, and affiliates; ~~renewed Your Food Handler Certification; renewed Your DMV Report;~~ paid the renewal fee; are not in default of any provision of the Ongoing Franchise Agreement or any other agreement between You and Us; have given timely written notice of Your intent to renew, not less than Two Hundred and Ten (210) days prior to the end of the Initial Term; are in good standing with all applicable licenses and/or certifications; sign a then-current Ongoing Franchise Agreement, which may have materially different terms and conditions; comply with current qualifications and training requirements; complete the drug testing; complete a background screening; provide proof that all certifications are up to date; and sign a general release, subject to state law, in a form the same as or similar to the General Release attached to the Ongoing Franchise Agreement.
d. Termination by You	Section 16.1	You may terminate the Ongoing Franchise Agreement if You are in compliance with it and We materially breach it and We fail to begin to cure our breach within 30 days of receiving Your written notice.
e. Termination by Us without cause	Not Applicable	

THE FRANCHISE RELATIONSHIP		
Provision	**Section In the Ongoing Franchise Agreement**	**Summary**
f. Termination by Us with cause	Section 16.2	We may terminate the Ongoing Franchise Agreement only if You default.
g. "Cause" defined-curable defaults	Section 16.2	You can avoid termination of the Ongoing Franchise Agreement if You cure a default arising from: deleterious conduct, or noncompliance with a law or regulation, which You fail to cure within 30 hours days, or Your failure to comply with mandatory specifications in the Ongoing Franchise Agreement or Manual within 30 days of receiving our notice of termination or if You cure a default arising from Your failure to make payments due ~~to~~ Us within 30 days of receiving our notice of termination, or if You cure a default arising from Your failure to achieve performance standards within ~~90~~30 days of receiving our notice of termination; ~~failure to select an approved site for or develop the Franchised Business pursuant to Section 2.2 with 60 days to cure; misuses or makes an unauthorized use of any of the Marks, or commits any deleterious conduct, or any other act which impairs the goodwill of any of the Marks with 30 days to cure; Less than an "A" or passing grade from a health inspection with 30 days to cure;~~ Loss of License or Certificate~~, including Food Handler Certification,~~ and fail to cure within 30 days; Must be completed Forty (40) days after signing the Lease and includes a drug test, Child Protective Services check, DOJ report, etc., with 30 day right to cure; Failure to complete training within ~~120~~30 days of the date of the Ongoing Franchise Agreement; Failure to begin operations within ~~140~~30 days ~~of~~if leasing, or Failure to begin operations within 60 days if building Your location, with 30 days right to cure from the date of the Ongoing Franchise Agreement; within 30 days of receiving notice that You have failed to maintain Your business under the primary supervision of a(n) Internal Manager. If We terminate the Ongoing Franchise Agreement following a default, Your interest in the franchise will terminate.
h. "Cause" defined-defaults that cannot be cured	Section 5.5, 16.2	We have the right to terminate the Ongoing Franchise Agreement without giving You an opportunity to cure if You: ~~fail~~fails to pay the Initial Franchise Fee or other amounts due to the Franchisor or its ~~Affiliates~~Affiliate (or any

THE FRANCHISE RELATIONSHIP		
Provision	**Section In the <u>Ongoing</u> Franchise Agreement**	**Summary**
		balance thereof) at the time due within five (5) days after receiving written notice that such fees are overdue; ~~Fails To Select an Approved Site~~ <u>; fails to select an approved site or fails to develop the site for the Franchised Business pursuant to Section 2.2;</u> ; fails to have its Internal Manager satisfactorily complete any training program pursuant to Section 8.3~~; fail a health inspection which causes the business to close;~~<u>;</u> attempts or surrenders or transfers control of the operations of the Franchise Business without prior approval; <u>misuses or makes an unauthorized use of any of the Marks, or commits any deleterious conduct, or any other act which impairs the goodwill of any of the Marks;</u> negatively communicates or impacts the Franchise system to any current or prospective Franchisee, outside of Franchisor sponsored forums; defaults on any lease necessary to run the Franchised business; abandonment of Your Pocket Deli business for more than 7 <u>hours</u> consecutive days; made a material misrepresentation or omission in the application for the Franchise or any other communication to Us; are convicted of or plead no contest to a crime or offense that would place them on the sex offenders registry, was a violent felony, crimes against a human, sexual harassment against an employee, domestic abuse charges, animal abuse, elderly abuse, ~~embezzlement, identity theft,~~ substance abuse, DWI or DUI, any theft charge or is likely to affect the reputation of either party or the Franchised Business; disclose, duplicate, or otherwise use the Manual, Confidential Information or the Marks in an unauthorized manner; submit reports to Franchisor on 2 or more separate occasions understating any amounts due by more than 2%; are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; fail on 2 or more occasions within any 12 consecutive months to submit reports or records or to pay any fees due ~~to~~ Us or any ~~Affiliate~~<u>third party supplier</u>; receive 2 or more default notices within 12 months; continue to violate any health,

THE FRANCHISE RELATIONSHIP		
Provision	**Section In the Ongoing Franchise Agreement**	**Summary**
		safety or other laws or conduct the Franchised Business in a manner creating a health or safety hazard to customers, employees or the public; take any action reserved to Us; fail to comply with applicable law after notice; repeatedly breach the Ongoing Franchise Agreement or fail to comply with specifications; or default under any other agreement between You and Us (or an Affiliate) such that We (or the Affiliate) have the right to terminate the agreement. Termination of ~~a~~an Ongoing Franchise Agreement will not automatically result in the termination of Your other Ongoing Franchise Agreements then in-effect between Us unless the same material breach constitutes a breach of the other Ongoing Franchise Agreement and We take separate steps to ~~terminate~~termination the Ongoing Franchise Agreement or if We agree in writing to mutually terminate the Ongoing Franchise Agreement.
i. Your obligations on termination/non-renewal	Section 17.1	If the Ongoing Franchise Agreement is terminated or not renewed, You must: stop operating the Franchised Business; stop using any Confidential Information, the System and the Marks; display a conspicuous sign that You are no longer a Franchisee; deliver to Us all information written or electronic regarding contracts, customer lists, and marketing efforts; refrain from any action to reduce the goodwill of Your customers or potential customers, towards Us or other Franchisees; keep and maintain all business records for a period of 3 years; cancel or assign to Us any assumed names; pay all sums owed to Us including damages, liquidated damages and costs incurred in enforcing the Ongoing Franchise Agreement; return the Manual(s) and all other Confidential Information; assign Your telephone and facsimile numbers for the Franchised Business to Us; comply with the covenants not to compete and any other surviving provisions of the Ongoing Franchise Agreement; and if requested, assign Your interest in the Approved Location to Us.
j. Assignment of contract by Us	Section 18.1	There are no restrictions on our right to assign our interest in the Ongoing Franchise Agreement.
k. "Transfer" by You-definition	Section 18.2	"Transfer" includes transfer of an interest in the Franchise, the Ongoing Franchise Agreement, the

THE FRANCHISE RELATIONSHIP		
Provision	**Section In the Ongoing Franchise Agreement**	**Summary**
		Approved Location, the Franchised Business's assets or the Franchisee entity.
l. Our approval of transfer by You	Section 18.2	Except for transfers among spouses, You may not transfer Your interest in any of the items listed in (k) above without our prior written consent, unless authorized under state law.
m. Conditions for Our approval of transfer[1]	Section 18.2	We will consent to a transfer if: We have not exercised our right of first refusal; all obligations owed to Us are paid; You or any transferring owners have signed a general release, subject to state law, in a form the same as or similar to the General Release attached to the Ongoing Franchise Agreement; the prospective Transferee meets our business and financial standards; the Transferee and all persons owning any interest in the Transferee sign the then current Ongoing Franchise Agreement; You provide Us with a copy of all contracts and agreements related to the transfer; You or the Transferee pay the transfer fee applicable at the time You ~~notify~~notice Us You want to transfer; the Transferee or the owners of Transferee have agreed to be personally bound by all provisions of the Ongoing Franchise Agreement; You have agreed to guarantee performance by the Transferee, if requested by Us; the Transferee has obtained all necessary consents and approvals of third parties; You or all of Your equity owners have signed a non-competition agreement in a form the same as or similar to the Non-Disclosure and Non-Competition Agreement attached to the Ongoing Franchise Agreement; and the Transferee has agreed that its Internal Manager will complete the ~~initial~~Ongoing Franchise Agreement training program and that Transferee has paid the transfer training fee before assuming management of the Franchised Business.
n. Our right of first refusal to acquire Your Franchised Business	Article 19	We may match an offer for Your Franchised Business or an ownership interest You propose to sell, based upon our determination of the Value.
o. Our option to purchase Your Franchised Business	Section 17.4	Except as described in (n) above, We do not have the right to purchase Your Franchised Business; however, during the 30-day period after the termination or expiration of the Ongoing Franchise Agreement, We have the right to

THE FRANCHISE RELATIONSHIP		
Provision	**Section In the Ongoing Franchise Agreement**	**Summary**
		purchase any assets of the Franchised Business for book value.
p. Death or disability	Section 16.2 and 18.6	After a death or incapacity of one of Your owners, his or her representative must transfer, subject to the terms of the Ongoing Franchise Agreement, the owner's interest in the Franchised Business or in the entity owning the interest in the Franchised Business within 6 months of death or incapacity or We may terminate the Ongoing Franchise Agreement. If We deem it necessary, We may take over the operation of the Franchised Business until the deceased or incapacitated owner's interest is transferred, and We may charge a fee of $~~65~~500 per ~~hour plus expenses~~day for this service and be entitled to reimbursement of expenses.
q. Non-competition covenants during the term of the franchise	Section 7.3 and 7.4	You, Your owners (and members of their families and collaterals) and Your officers, directors, executives, managers, and employees are prohibited from: attempting to divert any customer, employee or other business associate of ours, the Franchised Business, our Affiliate(s) or any other Franchisee to a Competitive Business, or soliciting or attempting to induce any customer, employee or other business associate of ours, the Franchised Business, our Affiliate(s) or any other Franchisee to terminate or modify their business relationship with Us, the Franchised Business, our Affiliate(s) or any other Franchisee or causing injury or prejudice to the Marks or the System; owning or working for a Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.2	For 3 years after the termination or expiration of the Ongoing Franchise Agreement, You, Your owners (and members of their families and collaterals) and Your officers, directors, executives or managers are prohibited from: owning or working for a Competitive Business operating within Twenty-Five miles of the Approved Location or within the Exclusive Territory (whichever is greater), and within Twenty-Five miles of any other Pocket Deli~~TM~~® Businesses; or soliciting or influencing any

THE FRANCHISE RELATIONSHIP		
Provision	**Section In the Ongoing Franchise Agreement**	**Summary**
		consumers, employees or business associates of ours, our Affiliate(s) or any other Franchisee to terminate or modify their business relationship with Us, our Affiliate(s) or any other Franchisee.
s. Modification of the agreement	Sections 9.2 and 22.6	~~Only the terms of the~~ The Ongoing Franchise Agreement ~~are binding (subject to state law). Any promises outside the disclosure document and franchise~~can be modified only by written agreement between You and Us. We may modify the Manual without Your consent if the modification does not ~~be enforceable~~materially alter Your fundamental rights.
t. Integration/merger clause	Section 22.6	Only the terms of the Ongoing Franchise Agreement and requirements within the Manual are binding. Any other promises may not be enforceable. Notwithstanding the foregoing, nothing in any ~~franchise agreement~~Ongoing Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by mediation	Section 23.7	Subject to applicable state law, we do require mediation. Except for actions or claims for injunctive relief or specific performance or relating to the Marks, Trade Secrets or Confidential Information, all disputes must be mediated in Williamson County, TX, or a location as determined by state law in Your state, a minimum of 2 times before either party can file suit.
v. Choice of forum	Section 23.2	Subject to applicable state law, ~~claims~~Claims for injunctive relief or specific performance may be brought by Us where You are located; where the Franchise Business is or was located; where our counsel is located; or where the claim arose. All litigation must be filed in Williamson County, TX, or a location as determined by state law in Your state.
w. Choice of law	Section 23.1	Subject to applicable state law, Texas law applies, unless voided by Your state (see State Addendums attached), except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

THE FRANCHISE RELATIONSHIP		
Provision	**Section In the Ongoing Franchise Agreement**	**Summary**
x. Liquidated Damages	Section 17.9	If You default on Your Ongoing Franchise Agreement, You must pay liquidated damages equal to One Thousand Dollars ($1,000.00) per day retroactive to first date of offense; plus average monthly amount of the last three (3) months royalties times the number of months left on the Ongoing Franchise Agreement, or as determined by state law of Your state ~~or until the territory is resold, whichever comes first~~.

This section is only applicable If You apply to become and are awarded a Pocket Deli Area Development Agreement.

THE DEVELOPMENT AGREEMENT		
Provision	**Section In the Development Agreement**	**Summary**
a. Term of the Development Rights	Section 5.1	The term expires on the last Opening Date on the Development Schedule.
b. Renewal or extension of the term	Section 5.2	You have no right to renew, but You do have a right of first refusal to open additional franchises in the Development Territory during the year after the Development Agreement expires
c. Requirements for You to renew or extend	Not applicable	
d. Termination by You	Section 8.3	Developers may terminate under any grounds permitted by law.
e. Termination by Us without cause	Not Applicable	A termination of the Area Development Agreement does not automatically terminate the Ongoing Franchise Agreements.
f. Termination by Us with cause	Article 8	We may terminate the Development Agreement only if You default. A termination of the Area Development Agreement does not automatically terminate the Ongoing Franchise Agreements.
g. "Cause" defined-curable defaults	Section 8.2	You can avoid termination of the Development Agreement if You cure a default arising from Your failure to comply with mandatory specifications in

THE DEVELOPMENT AGREEMENT		
Provision	**Section In the Development Agreement**	**Summary**
		the Development Agreement within 30 days of receiving our notice of termination. A termination of the Area Development Agreement does not automatically terminate the Ongoing Franchise Agreements.
h. "Cause" defined-defaults that cannot be cured	Section 8.1	We have the right to terminate the Development Agreement without giving You an opportunity to cure if You: transfer any part of the Development Agreement or Development Rights or an interest in Your business entity in an unauthorized manner; made a material misrepresentation or omission in the application for the Development Rights; are convicted of a crime that may adversely affect the Marks; misuse or make unauthorized use of the Marks or Confidential Information; we terminate ~~a~~an Ongoing Franchise Agreement between Us and You; or You terminate any Ongoing Franchise Agreement without cause; or fail to meet the timing requirements or deadlines contained in the Development Schedule. A termination of the Area Development Agreement does not automatically terminate the Ongoing Franchise Agreements.
i. Your obligations on termination/non-renewal	Article 9	If the Development Agreement is terminated, You must: stop using any Trade Secrets and other Confidential Information; pay all sums owed to Us; and comply with the covenants not to compete and any other surviving provisions of the Development Agreement.
j. Assignment of contract by Us	Section 7.1	There are no restrictions on our right to assign our interest in the Development Agreement.
k. "Transfer" by You-definition	Section 7.2	"Transfer" includes transfer of ownership in the Development Rights, the Development Agreement, or the developer entity.
l. Our approval of transfer by You	Section 7.2	You may not transfer Your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for Our approval of transfer[1]	Section 7.2	We will consent to a transfer if: We have not exercised our right of first refusal; all obligations owed to Us are paid; You and the Transferee have signed a general release, subject to state law, in a form the same as or similar to the General Release

THE DEVELOPMENT AGREEMENT		
Provision	**Section In the Development Agreement**	**Summary**
		attached to the Initial Ongoing Franchise Agreement; the prospective Transferee meets our business and financial standards; You provide Us with a copy of all contracts and agreements related to the transfer; You or the Transferee pay a transfer fee amount equal to Fifteen Thousand Dollars ($15,000.00) ~~($15,000.00)~~ per non-developed Ongoing Franchise Agreement covered under this Development Agreement, both figures are plus CPI at the time of transfer; the Transferee has agreed to be personally bound by all provisions of the Development Agreement and the owners of Transferee have agreed to personally guarantee Transferee's performance; the Transferee has agreed to be personally bound by all provisions of the then-current Ongoing Franchise Agreement(s) for new Franchisees and the owners of Transferee have agreed to personally guarantee Transferee's performance; the Transferee has obtained all necessary consents and approvals of third parties; and You or all of Your equity owners have signed a non-competition agreement, in a form the same as or similar to the Non-Disclosure and Non-Competition Agreement attached to the Ongoing Franchise Agreement.
n. Our right of first refusal to acquire Your Development Rights	Section 7.4	We may match an offer for Your Development Rights or an ownership interest You propose to transfer.
o. Our option to purchase Your Development Rights	Not Applicable	Except as described in (n) above, We do not have the right to purchase Your Development Rights; however, during the 30-day period after the termination or expiration of the Development Agreement, We have the right to purchase any logoed assets of the Development company for book value or Your cost.
p. Your death or disability	Not Applicable	
q. Non-competition covenants during the term of the Development Agreement	Section 9.4	The Development Agreement incorporates by reference the Non-competition covenants of the Ongoing Franchise Agreement.

THE DEVELOPMENT AGREEMENT		
Provision	**Section In the Development Agreement**	**Summary**
r. Non-competition covenants after the Development Agreement is terminated or expires	Section 9.4	The Development Agreement incorporates by reference the post-term Non-competition covenants of the Ongoing Franchise Agreement.
s. Modification of the agreement	Section 12.7	The Development Agreement can be modified only by written agreement between You and Us.
t. Integration/merger clause	Sections 12.1 and 12.7	Only the terms of the Development Agreement are binding, although if there is a conflict between the Development Agreement and any Ongoing Franchise Agreement, the terms of the Ongoing Franchise Agreement control. Any representations or other promises made outside the Disclosure Document, the Ongoing Franchise Agreement and the Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any ~~franchise agreement~~Ongoing Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 13.7	Subject to applicable state law, we do not require Arbitration. We do however require multiple Mediation sessions prior to litigation. Except for actions or claims for injunctive relief or specific performance or relating to the Marks, Trade Secrets or Confidential Information, all disputes must be mediated in Williamson County, Texas, or in a location as per state law in Your state.
v. Choice of forum	Section 13.2	Subject to applicable state law, Claims for injunctive relief or specific performance may be brought by Us where You are located.
w. Choice of law	Section 13.1	Subject to applicable state law, Texas law applies, unless superseded by Your state law, except that disputes regarding the Marks will be governed by

THE DEVELOPMENT AGREEMENT		
Provision	**Section In the Development Agreement**	**Summary**
		the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

ITEM 18 - PUBLIC FIGURES

We have no public figures within the Pocket Deli Franchising, LLC Franchise System at the time of this Disclosure Document.

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 franchise 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 at 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613, or email at franchising@pocketdeli.com or telephone at (888) 538-5559, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 - OUTLETS AND FRANCHISEE INFORMATION

Exhibit B provides a complete list of our Franchisees. If You buy this franchise, Your contact information may be disclosed to other buyers during and when You leave the franchise system. The following tables reflect the status of our Franchisees.

Table No. 1
Systemwide Outlet Summary
For years 2016 to 2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017~~2016~~	0	0	
	2018~~2017~~	0	0	
	2019~~2018~~	0	0	
Company-Owned	2017~~2016~~	0	0	
	2018~~2017~~	0	0	
	2019~~2018~~	0	0	
Total Outlets	2017~~2016~~	0	0	
	2018~~2017~~	0	0	
	~~2018~~2019	0	0	

*Note: The Total number of Franchisees, including any Franchisees signed this fiscal year up to the issuance date on this FDD, are listed in Exhibit B attached.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2016-2018

State	Year	Number of Transfers
California	2017~~2016~~	0
	2018~~2017~~	0
	2019~~2018~~	0
Total Transfers	2017~~2016~~	0
	2018~~2017~~	0
	2019~~2018~~	0

Table No. 3
Status of Franchised Outlets
For years 2016-2018

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2017 ~~2016~~	0	0	0	0	0	0	0
	2018 ~~2017~~	0	0	0	0	0	0	0
	~~2018~~ 2019	0	0	0	0	0	0	0
	2017 ~~2016~~	**0**	**0**	**0**	**0**	**0**	**0**	**0**
~~Totals~~**Total**	2018 ~~2017~~	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	~~2018~~ 2019	**0**	**0**	**0**	**0**	**0**	**0**	**0**

*Note: The Total number of Franchisees including any Franchisee's signed through the issuance date of this FDD is listed in Exhibit B attached.

Table No. 4
Status of Company-Owned Outlets
For years 2016-2018

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
	2017~~2016~~	0	0	0	0	0	0
	2018~~2017~~	0	0	0	0	0	0
	~~2018~~2019	0	0	0	0	0	0

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
Totals	2017~~2016~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2018~~2017~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2018~~2019	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~

Table No. 5
Projected Openings as of 2017~~2019~~

State	Ongoing Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
California	0	0	0
Washington	0	~~0~~1	0
Oregon	0	~~0~~1	0
Total	~~**0**~~	~~**0**~~	~~**0**~~

List of Current Franchisees

A list of all Pocket Deli Trained Businesses and Franchisees and the addresses of their ~~Franchise~~ Business is attached to this Disclosure Document as Exhibit B.

List of Terminated or Cancelled Franchisees

We have had no Franchisee who was terminated, cancelled or not renewed or otherwise ceased to do business either voluntarily or involuntarily within the last fiscal year, nor who has not communicated with Us within 10 weeks of this Disclosure Document Issuance date.

Additional Franchisee Information

If You buy this franchise, Your contact information may be disclosed to other buyers during and when You leave the franchise system as required by law.

During our last three fiscal years, We have not signed any confidentiality clauses with current or Former Franchisees which would restrict their ability to speak openly with You about their experience with Us. We are not aware of any trade-specific Franchisee organizations associated with the System and no Independent Franchisee organizations have asked to be included in this Disclosure Document.

ITEM 21 - FINANCIAL STATEMENTS

Since We have not been in business for 3 years or more, We cannot include all financial statements required in Instructions 1(i) and (ii) of this Item 21. However, We comply with this Item by supplying (i) Our Audited Balance Sheet through December 31, 2019; (ii) Our Audited Statement of Operations through December 31, 2019; (iii) Our Audited Statement of Cash Flows through December 31, 2019; (iv) Our Unaudited Financial Statements through September 30, 2019 (ii) Our ~~unaudited Profit & Loss Statement and Balance Sheet~~Unaudited Financial Statements through June 30, 2019 and (iii) Our ~~Audited~~Unaudited Opening Financial Statements which are attached as Exhibit A. Our fiscal year ends December 31st.

ITEM 22 - CONTRACTS

The following Agreements are attached to this Disclosure Document as Exhibits:

~~Confidentiality Agreement~~ ~~Exhibit C~~
Preliminary Agreement with Exhibits
Exhibit C
Establishment Agreement with Exhibits Exhibit D
Ongoing Franchise Agreement with Exhibits
Exhibit E
Area Development Agreement with Exhibits
Exhibit F
Confidentiality Agreement Exhibit I

There are no other contracts or agreements provided by Pocket Deli to be signed by You.

ITEM 23 - RECEIPT

In accordance with the Trade Regulation Rule of the Federal Trade Commission titled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures", a Receipt by the Prospective Franchisee is attached as Exhibit ~~I~~J, located on the last two pages of this Disclosure Document.

You should sign and date both copies of the receipt as of the date You received this Disclosure Document.

Keep one copy for Your records and return the other signed copy to Us.

[The rest of this page was intentionally left blank]

EXHIBIT A
TO FRANCHISE DISCLOSURE DOCUMENT
POCKET DELI FRANCHISING, LLC
FINANCIAL STATEMENTS

The following financial statements are attached:

1. Our Audited Balance Sheet through December 31, 2019;
2. Our Audited Statement of Operations through December 31, 2019;
3. Our Audited Statement of Cash Flows through December 31, 2019;

~~1.~~4. Our Unaudited Financial Statements through September 30, 2019;
~~2.~~5. Our Unaudited ~~Profit & Loss Statement and Balance Sheet Through~~ Financial Statements through June 30, 2019; and
~~3.~~6. Our Opening ~~Audited~~Unaudited Opening Financial Statement through April ~~10~~19, 2019.

Note:

Where indicated the attached Financial Statements have been prepared without an Audit. Prospective Franchisees or Sellers of Franchises should be advised that no

A. ANDREW GIANIODIS

CERTIFIED PUBLIC ACCOUNTANT

POCKET DELI FRANCHISING, LLC

DECEMBER 31, 2019

FINANCIAL STATEMENTS

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

March 18, 2020

INDEPENDENT AUDITORS' REPORT

Board of Directors and Members of
Pocket Deli Franchising, LLC:

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying balance sheet of Pocket Deli Franchising, LLC as of December 31, 2019 and the related statements of operations, changes in member's equity and cash flows for the period April 22 through December 31, 2019. These financial statements are the responsibility of the Company's management.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I express no such opinion.

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements; examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pocket Deli Franchising, LLC as of December 31, 2019 and the results of operations and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America.

CPA

A. Andrew Gianiodis

Certified Public Accountant

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

Pocket Deli Franchising, LLC

Table of Contents

Pocket Deli Franchising, LLC

Balance Sheet
December 31, 2019

Assets

Current assets	
Cash	$ -
Accounts receivable	-
Total Current Assets	-
Total Assets	$ -

Liabilities & Equity

Current liabilities	
Accounts payable	$ -
Shareholder loan	11,217
Total liabilities	11,217
Owners' equity	(11,217)
Total liabilities and equity	$ -

See accompanying notes

Pocket Deli Franchising, LLC

Statement of Operations
Period April 22 through December 31, 2019

Revenues		
Initial franchise fee	$	-
Franchise royalties		-
Other franchise revenue		-
Total revenue		-
Expenses		
Advertising		10,385
Bank charges		30
Franchise marketing		5,094
Miscellaneous		1,569
Professional fees		39,457
Travel related expenses		2,056
Total expenses		58,591
Operating loss		(58,591)
Depreciation		-
Net Loss	$	(58,591)

See accompanying notes

Pocket Deli Franchising, LLC

Statement of Changes in Member's Equity
Period April 22 through December 31, 2019

		Total Equity
Owners' Equity at April 22, 2019	$	-
Equity Infusion		47,374
Member Draws		-
Net Loss		(58,591)
Owners' equity at December 31, 2019	$	(11,217)

See accompanying notes

Pocket Deli Franchising, LLC

Statement of Cash Flows
Period April 22 through December 31, 2019

Cash flows from operating activities:		
Net Loss	$	(58,591)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation & amortization		-
Changes in assets and liabilities		
Current assets		-
Current liabilities		11,217
Net cash provided by operating activities		(47,374)
Cash flows from investing activities:		
Fixed asset purchases		-
Net cash provided by investing activities		-
Cash flows from financing activities:		
Capital Infusion		47,374
Member Draws		-
Net cash provided by investing activities		47,374
Net change in cash		-
Cash - beginning of period		-
Cash - end of period	$	-
Supplemental Disclosures		
Interest Paid		-
Income Taxes Paid	$	-

See accompanying notes

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF BUSINESS

The Company was incorporated under the laws of the State of California for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own Pocket Deli operation, as a franchise.

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting.

REVENUE RECOGNITION

The Company accounts for revenue using the accounting method prescribed under Accounting Standards Codification 606 ("ASC") Topic Franchisors.

Deferred revenue consists of fees paid to the Company when a franchise agreement is signed. This revenue is deferred until all material services or conditions relating to the sale have been substantially performed or satisfied by the Company. In 2019, the Company recognized no franchise fees.

The Company similarly defers the related expenses specific to the franchise agreements, primarily sales commissions. Similarly, there are prepaid commissions relating to the deferred revenue.

Royalty fees will be charged on a monthly basis and are recorded as earned.

COMPANY INCOME TAXES

The Company is an LLC; as such, the Company will not be responsible for income taxes on the company level. Instead, its taxable income will be included on the owner's personal tax returns.

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at December 31, 2019, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

NOTE 3 COMMITMENTS AND CONTINGENCIES

The Company does not carry general liability or worker's compensation coverage, nor is it self-insured.

NOTE 4 FRANCHISE AGREEMENT

The terms of the Company's franchise agreement will be as follows:

A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
B. The franchisee is obligated to pay a non-refundable initial franchise fee.
C. The franchisee is obligated to pay a monthly royalty fee. Certain other fees are also outlined in the agreement.

NOTE 5 SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 18, 2020, the date that the financial statements were available to be issued.

A. ANDREW GIANIODIS

CERTIFIED PUBLIC ACCOUNTANT

CONSENT OF THE INDEPENDENT AUDITOR

Andrew Gianiodis consents to the use in the Franchise Disclosure Document issued by Pocket Deli Franchising, LLC ("Franchisor") of the report dated March 20, 2020, as it may be amended, of our report dated March 18, 2020, relating to the financial statements of the Franchisor for the period April 22 through December 31, 2019.

Sincerely,

CPA

A. Andrew Gianiodis, CPA

279 Niagara Falls Blvd. Amherst, New York 14226 716 – 510-6068

EXHIBIT B
TO FRANCHISE DISCLOSURE DOCUMENT
POCKET DELI FRANCHISING, LLC
LIST OF FRANCHISE LOCATIONS

~~(a) Operational Developers and Franchisees.~~
~~The following are the names, addresses and telephone numbers of all Franchisees and Area Developers as of the date of this FDD who have paid and are operational:~~
~~*Note: FA / ADA = Franchise Agreement / Area Development Agreement.*~~
~~The number indicated is the number of franchise businesses purchased.~~

~~**Company Name**~~	~~**Contact**~~	~~**Address**~~	~~**City, ST Zip**~~	~~**Phone**~~
~~None to be disclosed at this time~~				

~~(b) Area Development Agreements or Franchise Agreements **sent but not yet** Executed nor Operational. The Following are the names, addresses and telephone numbers of Area Developers and Franchisees as of the date of this FDD, who are not yet operational or have not signed, but who has requested Agreements.~~
~~*Note: FA / ADA = Franchise Agreement / Area Development Agreement.*~~
~~The number indicated is the number of franchise businesses purchased.~~

~~**Company Name**~~	~~**Contact**~~	~~**Address**~~	~~**City, ST Zip**~~	~~**Phone**~~
~~None to be disclosed at this time~~				

~~(c) Former Developers and Franchisees.~~
~~The following are the names, last known home addresses and home telephone numbers of all Master Franchisees and franchisees that have been terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Master Franchise Agreement as of the date of this FDD~~ ~~*Note: FA / ADA = Franchise Agreement / Area Development Agreement.*~~
~~The number indicated is the number of franchise businesses purchased.~~

~~**Company Name**~~	~~**Contact**~~	~~**Address**~~	~~**City, ST Zip**~~	~~**Phone**~~
~~None to be disclosed at this time~~				

(a) Operational Developers and Franchisees.
The following are the names, addresses and telephone numbers of all Franchisees and Area Developers as of the date of this FDD who have paid and are operational:
Note: FA / ADA = Ongoing Franchise Agreement / Area Development Agreement.
The number indicated is the number of franchise businesses purchased.

Company Name	**Contact**	**Address**	**City, ST Zip**	**Phone**
California				
Pocket Deli Inc.	Cari Zarou	11210 Sun Center Drive, Suite A	Rancho Cordova, CA 95670	(916) 505-8260

(b) Area Development Agreements or Franchise Agreements **sent but not yet** Executed nor Operational. The Following are the names, addresses and telephone numbers of Area Developers and Franchisees as of the date of this FDD, who are not yet operational or have not signed, but who has requested Agreements.
Note: FA / ADA = Franchise Agreement / Area Development Agreement.
The number indicated is the number of franchise businesses purchased.

Company Name	**Contact**	**Address**	**City, ST Zip**	**Phone**
None to be disclosed currently.				

(c) Former Developers and Franchisees.
The following are the names, last known home addresses and home telephone numbers of all Area Developers and Franchisees that have been terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement as of the date of this Franchise Disclosure Document
Note: FA / ADA = Ongoing Franchise Agreement / Area Development Agreement.
The number indicated is the number of franchise businesses purchased.

Company Name	**Contact**	**Address**	**City, ST Zip**	**Phone**
None to be disclosed at this time.				

EXHIBIT C
TO FRANCHISE DISCLOSURE DOCUMENT
POCKET DELI FRANCHISING, LLC
~~CONFIDENTIALITY~~PRELIMINARY AGREEMENT

By and Between

POCKET DELI FRANCHISING, LLC
~~FRANCHISOR~~TRAINOR

AND

______________________________________, ~~PROSPECT~~

~~CONFIDENTIALITY AGREEMENT~~

~~This Confidentiality Agreement, made this ________ day of ______________________, 20___, by and between Pocket Deli Franchising, LLC, a Texas Limited Liability Company formed and operating under the laws of the State of Texas, having its principal place of business at 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613 ("Franchisor") and all jointly and severally, of ____ (Hereinafter ("Prospect").~~

~~**WHEREAS**, Franchisor has developed and owns a unique system relating to the establishment and operation of businesses whose purpose is providing high quality food products to hungry customers Pocket Deli Franchisees provide customers with sandwiches using daily, baked from scratch bread, chopped vegetables, meats and cheeses stuffed on demand for the freshest pockets and deli fare available anywhere.~~

~~**WHEREAS**, Prospect and Franchisor have entered into discussions which may involve the disclosure to Prospect of the proprietary information of Franchisor.~~

~~**NOW, THEREFORE,** the parties, in consideration of the undertakings and commitments of each party to the other, hereby agree as follows:~~

1. ~~Proprietary Information/Confidential Treatment. During the course of business dealings between the parties, certain of the confidential information of Franchisor will be disclosed to Prospect. Prospect or any of its employees, shall not for any reason or purpose whatsoever, use for its personal benefit, or disclose, communicate or divulge to, or use for the benefit, direct or indirect, of any person, firm, association or corporation other than Prospect, any knowledge of confidential information which is proprietary to Franchisor ("Proprietary Information"). All Proprietary Information shall be the sole property of Franchisor and its assigns, and Prospect hereby assigns to Franchisor any rights it has or may acquire in such Proprietary Information. Prospect will have access to and become acquainted with various trade secrets and trade sources, consisting of patterns, operational systems and compilations of information, records, and specifications which are owned by Franchisor and which are regularly used in the operation of a franchised business. Prospect shall not disclose any of the aforesaid trade secrets, directly or indirectly, or use them in any way, at any time, except as required in the course of business dealings between Franchisor and Prospect.~~

2. ~~Injunctive Relief. Any breach of provisions of this Agreement shall cause irreparable harm to Franchisor, and therefore, in the event of a breach or threatened breach of the provisions of this Confidentiality Agreement, Franchisor shall be entitled to an injunction restraining Prospect from disclosing or appropriating in whole or in part, the Proprietary Information, or from rendering any services to any person, firm, corporation, association or other entity to whom such confidential information, in whole or in part, has been disclosed or is threatened to be disclosed. Nothing herein shall be construed as prohibiting Franchisor from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages or liquidated damages in the amount of Twenty Thousand Dollars and 00/100 ($20,000.00) for each such breach, whichever is deemed higher by a court of law.~~

~~**IN WITNESS WHEREOF**, the parties hereunder have duly executed, sealed and delivered this Agreement on the day and year set forth above.~~

~~**POCKET DELI FRANCHISING,LLC**~~	~~**PROSPECT(S)**~~
~~**B: Allen Zarou**~~	~~**By:**~~ ____________________
~~**Its: CEO**~~	~~**Name, Its:**~~ ____________________
	~~**By:**~~ ____________________
	~~**Name, Its:**~~ ____________________

~~EXHIBIT D~~
~~TO FRANCHISE DISCLOSURE DOCUMENT~~
~~POCKET DELI FRANCHISING, LLC~~
~~PRELIMINARYAGREEMENT~~
~~______________, 20___~~

~~By and Between~~

~~POCKET DELI FRANCHISING, LLC~~

~~and~~

______________________________, **APPLICANT**

PRELIMINARY AGREEMENT

THIS Preliminary Agreement _(the "Agreement") is made and entered into on this ______________day of ______________________, 20___, by and between Pocket Deli Franchising, LLC~~,~~ a Texas Limited Liability Company, with offices at 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613~~("PDF"), and~~____[("Trainor" and PDF), and____ [an adult individual or two adult individuals] whose principal address is ____([collectively referred to as the] "Applicant~~").~~" or "Trainee").

WHEREAS, PDF ~~licenses to its Franchisees a system (~~is involved in the ~~"Pocket Deli System") relating to the design, development, and operation~~business of ~~Pocket Deli~~training people to open fast-casual businesses~~; and~~ involving fast food restaurant businesses; and

~~**WHEREAS,** PDF also licenses to its Franchisees the use of the service marks "Pocket Deli" and design and other service marks, trademarks, trade names and tag lines as are now, or may later be, designed and/or registered as part of the Pocket Deli System (the "Marks"); and~~

WHEREAS, Applicant has contacted PDF to assist in identifying, analyzing, and locating, a prospective site(s) (the "Prospective Site" or "Prospective Sites") for the development of a ~~Pocket Deli franchised~~fast-casual business~~ operating under the Pocket Deli System and Marks (the "Business") because Applicant intends to become a Pocket Deli Franchisee~~; and

WHEREAS, Applicant wishes to avail oneself/themselves of PDF's assistance ~~in identifying, analyzing, and locating a Prospective Site before executing a Franchise Agreement with PDF~~and training in the fast-casual industry; and

WHEREAS, PDF has received certain financial and other information provided by Applicant to PDF and is relying upon that information in permitting Applicant to enter into this Agreement.

NOW THEREFORE, in consideration of the mutual benefits contained herein, the parties agree as follows:

I. EVALUATION AND FEES

Applicant's must submit an Application to be accepted into the training program. Trainor's acceptance of Applicants Application is conditioned upon PDF's evaluation of the personal abilities, aptitudes and financial qualifications of Applicant, if applicable. Such evaluation may include, without limitation, a financial and credit investigation, a background check, drug test, and a face-to-face interview with an officer of PDF to assess Applicant's demeanor and personality. In accordance therewith, Applicant and Applicant's manager, if applicable, shall submit all information requested and PDF shall have a reasonable time, not to exceed Ten days («Preliminary Application Approval Ten of Days NU») days following Trainor's receipt of such information to prepare its evaluations. If, for any reason, PDF elects not to accept Applicant's Franchise Application, it shall notify Applicant within such Ten days («Preliminary Application Approval Ten of Days NU») day period. Upon such notice, PDF shall be under no further obligation to

Applicant for any reason, and PDF shall be fully and forever released from any claims or causes of action Applicant may have under or pursuant to this Agreement or any other agreement or understanding between the parties hereto.

If Applicants Application is accepted by PDF, Applicant shall pay to PDF the sum of Fifteen Thousand Dollars (the "Preliminary Agreement Fee"). The Fee is deemed fully earned upon its receipt by PDF.

II. SITE SELECTION TRAINING

Applicant will receive site selection training pertaining to the fast-casual industry based off of the topics included in the Site Manual discussed below.

~~I.~~III. LOCATING A SITE FOR THE BUSINESS

~~Applicant may search for Prospective Sites that the Applicant intends to use for the Business within the following designated and agreed upon geographical area(s) (the "Designated Area"): _______________~~

~~Applicant shall select a Prospective Site within the Designated Area that is acceptable to PDF for the development and operation of the Business. Applicant is solely responsible for identifying and procuring a Prospective Site. The Prospective Site must be accepted by PDF in writing pursuant to the terms described in Section 5 of this Agreement, prior to Applicant entering into a lease for the Prospective Site, or Applicant or a related party entering into a purchase agreement for the Prospective Site. Notwithstanding anything to the contrary contained herein, PDF's acceptance of the Prospective Site shall be at its sole discretion.~~

~~II. FEE~~

Applicant is solely responsible for identifying and procuring a Prospective Site.

~~In consideration of PDF entering into this Agreement, Applicant has paid to PDF the sum of Fifteen Thousand Dollars (the "Preliminary Agreement Fee") ($15,000.00). The Fee is deemed fully earned upon its receipt by PDF, and is non-refundable, except as otherwise specifically set forth in Section 7 below.~~

~~III.~~IV. SITE LOCATION ASSISTANCE ~~BY PDF APPROVED VENDOR~~

In consideration of the Fee paid by Applicant under this Agreement, PDF and/or their approved CCIM Vendor will provide the following assistance in Applicant's efforts to identify Prospective Sites for the Business as follows:

~~3~~4.1 PDF and their approved Vendor will review Prospective Sites proposed by the Applicant for the Business~~ in accordance with PDF's current screening criteria and relevant demographic and other information~~;

~~3~~4.2 PDF's approved Vendor will refer Applicant to one (1) or more real estate brokers/agents to assist Applicant in Applicant's search for a Prospective Site;

~~3~~4.3 PDF will consult with Applicant, and at the request of the Applicant, may consult with lenders, real estate brokers/agents, landlords and/or developers, in connection with the Applicant's efforts of identifying, analyzing, and procuring a Prospective Site;

~~3.4. PDF may physically inspect, at PDF's discretion, Prospective Sites that appear to meet PDF's general requirements after PDF's approved CCIM's initial screening of such Prospective Sites have been completed;~~

~~3.5 PDF and or the approved CCIM will assist Applicant in its efforts to obtain a lease or purchase agreement for a Prospective Site that is accepted both by Applicant and PDF, and will review such agreements prior to Applicant's execution to determine if they include provisions required by PDF; and~~

~~3.6 PDF will assist Applicant in its efforts to obtain third-party financing for the Business.~~

~~IV.~~V. SITE ~~DEVELOPMENT~~ MANUAL

In further consideration of the Fee, PDF will provide Applicant with a Site ~~Development~~ Manual containing site selection information~~, which may include; among other items, PDF's current site selection criteria; strategies and guidelines; letter of intent templates for a lease and purchase agreement; and sample site analysis reports. All of the materials described herein are proprietary to PDF and PDF reserves the right to modify or remove such documents from the Site Development~~. The Table of Contents for the Pocket Deli® Site Manual~~.~~

~~V. ACCEPTANCE OF PROSPECTIVE SITE BY PDF~~

~~5.1 Prior to PDF's review and acceptance of a Prospective Site, Applicant must submit to PDF, the following:~~

~~5.1.1 A written proposal consisting of a description of the Prospective Site; and~~

~~5.1.2 A non-binding letter of intent that sets forth all pertinent business and legal terms for a lease or purchase agreement to be entered into by the Applicant for a Prospective Site; and herein; and~~

~~5.1.3 A draft lease containing PDF's required clauses~~, as ~~specified in Section 5.3~~

~~5.1.4. Updated financial information as requested by PDF.~~

~~5.2 Applicant shall only propose to PDF Prospective Sites that Applicant reasonably believes conform to PDF's site selection criteria. PDF will provide Applicant with written notice of its acceptance or non-acceptance of a Prospective Site proposed by Applicant within three weeks after receiving from Applicant all items set forth in 5.1 hereof. Applicant must receive PDF's prior acceptance of a Prospective Site, before entering into a lease or purchase agreement for such Prospective Site. PDF's acceptance of a Prospective Site will be made on the basis that the Prospective Site meets the standards and criteria established by PDF, which PDF may modify as it deems appropriate and in its sole discretion. In the event that the Applicant fails to execute a lease or purchase agreement within a reasonable amount of time after receiving acceptance from PDF of a Prospective Site, PDF shall have~~

~~the right to refer the Prospective Site to another PDF franchise applicant or otherwise develop such site as company owned business.~~

~~5.3 PDF's acceptance of a lease for a Prospective Site will be conditioned upon the inclusion of the following clauses, without limitation, all clauses shown in the Lease Rider Exhibit to the proposed Franchise~~of the date of this Agreement ~~contained in the Franchise Disclosure Document received by Applicant, as referenced by their previously signed receipt;~~is as follows:

~~5.4. If Applicant proposes to lease a Prospective Site from any owner, member, manager, partner, director, officer or other principal of Applicant, or from any person or entity related to or affiliated with Applicant, or one or more of Applicant's owners, partners, directors, officers or other principals (the "Related Party"), PDF may require the Related Party to sign the Franchise Agreement and/or separate agreements for the purpose of binding the Related Party to applicable provisions of the Franchise Agreement, as determined by PDF. Applicant shall also execute a lease agreement that is acceptable to PDF with the Related Party and deliver a copy to PDF.~~

~~5.5 Applicant hereby acknowledges that the lease or land purchase agreement for any Prospective Site approved by PDF is likely to be subject to contingencies such as zoning and/or community approvals, financing and/or a building permit. The obligation to satisfy such contingencies is solely the responsibility of Applicant, landlord, and/or seller, and PDF is not responsible or liable for any failure to satisfy any or all of such contingencies.~~

SITE MANUAL	**Page Count**
1) Chapter heading: Types of locations	5
a) Site selection criteria	
i) Recommendations about the best sites	
b) User Needs – Considerations	
i) Size	
ii) Location	
iii) Term length	
iv) Zoning	
v) Where customers (going home or to work side, medians, etc.)	
vi) Demographics	
vii) Traffic counts	
viii) Brand image	
ix) Competition (Who's near? Who's missing?)	
x) Parking (can KILL a retail business)	
xi) Hours of operation	
xii) When needed to open (the process takes time-plan ahead)	
c) Site approval process	
i) Process for sites	
ii) Any requirements for locations	
2) Chapter heading: Steps and Terms of the Lease	4
a) RFP vs LOI	
b) Letter of Intent	
c) Lease TI's	
d) Common Areas	
3) Chapter heading: Types of leases	2
a) Single Net	
b) Double Net	
c) Triple Net	
d) Gross	
e) Modified Gross	

f) Modified Gross CAMs	
4) Chapter heading: Finding a Real Estate Professional	3
a) Commercial Real Estate	
b) Investment Real Estate	
c) CCIM	
5) Chapter heading: Marketing Analytics & Research	7
a) Chamber of Commerce	
b) ESRI	
6) Chapter heading: Obtaining site data	9
a) Your Commercial Real Estate Agent	
b) Landlord Commercial Real Estate Agent	
c) Warnings regarding Landlord For Lease signs	
7) Chapter heading: Uncovering special needs for your industry	2
8) Chapter heading: Evaluating Competitors	4
9) Chapter heading: Locating Your Business	3
a) Utilizing the industry Site selection criteria	
b) Site approval process	
i) Process for sites and lease approval	
ii) Building out the FFE aspects into your TI's	
c) Timelines	

VI. TERM OF AGREEMENT AND EXTENSIONS

~~6.1 This Agreement shall be for a term equal to the site selection deadline, Ninety (90) days. Applicant shall have up to Fourteen (14) days commencing on the date first written above, to propose a location to Franchisor for approval. If Franchisor does not deny Franchisee's proposed location within fourteen (14) business days, the location shall be deemed approved. If Applicant receive a denial from Us, You must submit a new location until approved. In the event that the Applicant does not execute a lease or purchase agreement for a Prospective Site within the above timeframe, or extend this Agreement pursuant to Section 6.2 herein, this Agreement shall expire.~~

~~6.2 Prior to the expiration of this Agreement, Applicant may request in writing that the term of this Agreement be extended for an additional period of Six (6) months. PDF will not unreasonably withhold consent for the first extension provided that Applicant is diligently pursuing a Prospective Site for the Business, and is communicating with PDF on a regular basis about those efforts. Additional extensions may be permitted by PDF at its sole discretion.~~

6.1 This Agreement shall terminate upon PDF's completion of the above-mentioned business training course.

VII. TERMINATION/EXPIRATION PRIOR TO EXECUTION OF LEASE OR PURCHASE AGREEMENT

~~7.1 In the event this Agreement expires pursuant to Section 6 of hereof, or in the event that Applicant provides written notice of the Applicant's desire to terminate this Agreement and such notice is received prior to the expiration of this Agreement and prior to the Applicant's execution of a lease and/or a purchase agreement for a Prospective Site, PDF will refund a portion of the Fee in an amount that is equal to the sum of Twelve Thousand and Five Hundred Dollars ($12,500.00), less the sum of the expenses incurred by PDF in connection with this Agreement and the assistance provided to Applicant as described herein (the "Refund"). Notwithstanding, Applicant will only be entitled to, and~~

~~PDF will only be obligated to pay, the Refund if the Applicant and any personal guarantors of this Agreement execute and deliver to PDF a general release in a form provided by PDF which contains a non-compete, non-solicitation and non-disclosure covenant similar to such set forth in Section 9 hereof, and the Applicant returns the Site Development Manual and all other materials provided by PDF to Applicant hereunder.~~

~~7.2~~7.1 Notwithstanding anything to the contrary herein, PDF has the right to terminate this Agreement for any reason by providing written notice to Applicant at any time before Applicant ~~executes a lease or purchase agreement for a Prospective Site.~~begins the above-mentioned training. Upon such termination, Applicant shall promptly return the Site ~~Development~~ Manual and any other materials provided by PDF to Applicant and PDF will refund to Applicant ~~One Hundred Percent~~ one hundred percent (100%) of the Fee minus costs, upon receipt of same by the Applicant, PDF will: ~~.~~

7.~~2~~1.1 Owe no other duties and will not be obligated to Applicant in any manner, under this Agreement or otherwise; and

7.~~2~~1.2 Be released and forever discharged by Applicant from all claims, debts, fees, liabilities, demands, obligations, costs, expenses, actions and causes of action which Applicant hold or may hold against PDF, arising prior to and through the date this Agreement is terminated by PDF.

VIII. APPLICANT'S INFORMATION

8.1 Applicant shall immediately notify PDF of any material change in the information provided to PDF in Applicant's preliminary questionnaire or any other application materials and provide PDF with updated personal financial information and a detailed written explanation of the change.

8.2 If, in PDF's reasonable discretion, there have been no material adverse changes in Applicant's information pursuant to Section 8.1 above, Applicant shall have the right, without the obligation, to ~~execute~~apply to be granted PDF's then-current ~~Franchise~~Establishment Agreement ~~concurrently with its execution of a lease or land purchase agreement for a Pocket Deli Franchised Business site accepted by PDF pursuant to this Agreement~~.

IX. CONFIDENTIALITY/NON-COMPETITION

9.1 The Site ~~Development~~ Manual and all materials included therein shall at all times remain the property of PDF and will be immediately returned to PDF upon the termination or expiration of this Agreement or at any other time as requested by PDF.

9.2 Applicant acknowledges that PDF will devote time, effort, and resources to assist Applicant in its efforts to identify and review, with the CCIM, Prospective Sites that may be suitable for the Business. Applicant further acknowledges that the information that will be developed during these efforts constitutes valuable, confidential trade secrets of PDF. Applicant therefore agrees that if this Agreement expires or is terminated for any reason, by Applicant or by PDF, the Applicant will not, for a period of two (2) years after the termination date of this Agreement~~, obtain any direct or indirect ownership or leasehold interest in any site that (i)~~

~~PDF or CCIM identified as a Prospective Site, or (ii)~~ Applicant ~~identified as a Prospective site, or (iii) PDF or CCIM assisted~~will not disseminate any Confidential Information it may have gleaned from its relationship with ~~the negotiations of a lease or purchase agreement on behalf of Applicant, or (iv) which was identified by Applicant's real estate broker/agent or CCIM as a Prospective Site.~~ PDF. Furthermore, Applicant acknowledges that PDF has devoted significant time, effort, money and resources to develop goodwill in the name "Pocket Deli." Accordingly, Applicant agrees that if this Agreement expires or is terminated for any reason, by Applicant or by PDF, to refrain from any discussions or communications, including via any public channels, forums or blogs on the Internet, with any employee, former employee, customer, broker, landlord or any person or persons associated or formerly associated with PDF its CCIM network, vendors or any of those company's affiliates, that could be considered detrimental to the goodwill of the Pocket Deli System or the name "Pocket Deli."

9.3 Applicant further acknowledges that it will receive additional, valuable, confidential information in addition to the information regarding potential sites referred to in the preceding paragraph. This information includes, without limitation, PDF's Site ~~Development~~ Manual, ~~site selection criteria,~~ techniques and forms, training, business planning techniques and forms, and Pocket Deli ~~designs, and financial assistance~~ information. Applicant recognizes that the disclosure and/or use of any of this confidential information by Applicant or anyone affiliated with Applicant would be detrimental to PDF. Applicant's obligation to maintain the confidentiality of information received from PDF does not apply to information which came to ~~Applicant's~~Applicant's attention before' PDF disclosed it to Applicant or to information which becomes public knowledge through disclosure by others without the assistance of Applicant. Applicant agrees that Applicant:

9.3.1 Will hold in strict confidence any and all information that is designated by PDF as confidential and will not, directly or indirectly, reproduce, photocopy, disclose or distribute such information to another person, without the prior written consent of PDF;

9.3.2 Will neither use nor assist anyone else to use such confidential information unless such use is for the express purpose of designing and/or developing the Business; and

~~9.3.3 Will not, during the two (2) year period after this Agreement is terminated, directly or indirectly engage, whether as an employee, partner, owner, agent, stockholder, officer, director, member or other representative, in any business which operates one or more quick service industry or plans to do so on a future date and which is, or is intended to be, located or operated within (i) any location inside or within twenty (20) miles of Applicant's Designated Area, (ii) any location within twenty (20) miles of any other Pocket Deli location, and (iii) the primary market area served by any business operated by the Franchisor, one or more of its affiliates, or any entity that owns, controls or operates a franchised business under the Marks.~~

X. LIMITATION OF LIABILITY

~~X.I.~~ In the event Applicant files a complaint or lawsuit, alleges a cause of action and/or makes a claim of any kind against PDF or one or more of its officer, directors, employees or affiliates (the "Pocket Deli Parties") in a court or tribunal or before an administrative agency, regarding, arising from or relating to this Agreement or PDF's actions thereunder, irrespective of the outcome of the complaint or lawsuit, the liability of the PDF Parties and each of them to Applicant shall be limited to a refund of the actual funds paid to PDF by Applicant pursuant to this Agreement and the Pocket Deli Parties and each of them shall have no other liability whatsoever to Applicant regardless of Applicant's allegations. ~~**LIMITATION OF LIABILITY**~~

~~In the event Applicant files a complaint or lawsuit, alleges a cause of action and/or makes a claim of any kind against PDF or one or more of its officer, directors, employees or affiliates (the "Pocket Deli Parties") in a court or tribunal or before an administrative agency, regarding, arising from or relating to this Agreement or PDF's actions thereunder, irrespective of the outcome of the complaint or lawsuit, the liability of the PDF Parties and each of them to Applicant shall be limited to a refund of the actual funds paid to PDF by Applicant pursuant to this Agreement and the Pocket Deli Parties and each of them shall have no other liability whatsoever to Applicant regardless of Applicant's allegations.~~ A COURT MAY AWARD INJUNCTIVE RELIEF, BUT APPLICANT HEREBY WAIVES APPLICANT'S RIGHT TO COLLECT AND WILL HAVE NO AUTHORITY TO COLLECT PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES.

~~**XI. NONASSIGNMENT**~~

XI. NON-ASSIGNMENT

This Agreement is personal to Applicant and may not be assigned, sold or otherwise transferred by Applicant to any other person or entity without PDF's prior written consent, which PDF may withhold at its sole and absolute discretion. ~~This Agreement is fully assignable by PDF.~~Execution of this Agreement is not dependent on Applicant executing any future agreements with Trainor, nor is it a guarantee that Trainor will accept Applicant to enter into any future Agreements with Trainor.

XII. APPLICABLE LAW/CONSENT TO FORUM

12.1 This Agreement and all of its provisions will be governed, interpreted and construed pursuant to the law of Williamson County, TX, which law will prevail in the event of any conflict of law; and the law of Williamson County, TX shall be used to enforce any and all rights and duties conferred by and which arise under this Agreement, provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of Williamson County, TX, those provisions will be interpreted and construed under the laws of the state of Applicant's principal address as set forth in the initial paragraph of this Agreement. The parties further acknowledge and agree that this Agreement and the relationship created by this Agreement will not be subject to the provisions of the Williamson County, TX Franchise Registration and Disclosure Law unless the Business is located in Williamson County, TX.

12.2 The parties agree that any cause of action by either party against the other must be filed in the United States District Court for the ~~Western~~ District of ~~Texas~~Williamson County, TX, and the parties and all personal guarantors hereof do hereby waive all questions of personal and subject matter jurisdiction or venue for the purpose of carrying out this provision; provided, however, if PDF moves its corporate offices to another state, the United States District Court for the judicial district to which the corporate offices are moved, and the state court in the county to which the corporate officers are moved, shall replace the United States District Court for the District of Williamson County, TX for purposes of this Section 12.2.

12.3 Nothing in this Agreement will bar PDF's right to apply for injunctive relief in any court of competent jurisdiction against threatened or actual conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. Should PDF obtain a restraining order or preliminary injunction against Applicant, Applicant shall be liable for all of PDF's attorneys' fees and costs that are related to and/or arise from obtaining such relief.

XIII. NOTICES

Any and all notices, demands, and requests required or permitted under this Agreement will be in writing and will be personally delivered with a receipt or mailed by United States certified or registered mail, return receipt requested, postage paid, or sent by a nationally recognized overnight courier service which provides evidence of receipt, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to PDF:
Pocket Deli Franchising, LLC
~~**POCKET DELI FRANCHISING, LLC**~~
1320 Arrow Point Drive, Suite 501-90
Cedar Park, TX 78613
Attn: Allen Zarou

Notices to Applicant:
____

____

All notices delivered in the foregoing manner will be deemed to have been given at the time the return receipt is executed, and, in any event, no more than five (5) business days after the notice is mailed. If Applicant's address, as stated above, changes during the term of this Agreement, Applicant shall immediately notify PDF of that change in writing.

XIV. ENTIRE AGREEMENT

This Agreement, and the attachments to this Agreement constitute the entire, full and complete Agreement between PDF and Applicant concerning the subject matter of this Agreement and supersede all prior agreements. No other representation has induced Applicant to execute this Agreement, and there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not in this Agreement, which are of any force or effect with reference to this Agreement or otherwise. Except for those permitted to be made unilaterally by PDF under this Agreement, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement is intended to disclaim the representations PDF made in the Franchise Disclosure Document that PDF furnished to Applicant.

XV. SEVERABILITY AND CONSTRUCTION

15.1 Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and/or provision of this Agreement will be considered severable; and if for any reason a portion, section, part, term and/or provision in this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, that will not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible; and the latter will continue to be given full force and effect and bind the parties of this Agreement; and the invalid portions, sections, parts and/or provisions will be deemed not to be a part of this Agreement.

15.2 Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity other than PDF or Applicant.

15.3 Applicant expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is contained within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision in which PDF is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

15.4 All captions in this Agreement are intended solely for the convenience of the parties, and none will be deemed to affect the meaning or construction of any provision of this Agreement.

15.5 All references in this Agreement to the masculine, neuter or singular will be construed to include the masculine, feminine, neuter, or plural, where applicable; and all acknowledgments, promises, covenants, agreements, and obligations in this Agreement made or undertaken by Applicant will be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Applicant.

15.6 This Agreement may be executed in several parts, and each copy so executed will be deemed an original.

XVI. ACKNOWLEDGMENTS

16.1 Applicant acknowledges and agrees that this Agreement is not a franchise agreement and does not grant to Applicant any right to use the Pocket Deli System ~~other than as specifically described herein~~, PDF's Intellectual Property, or any of PDF's Marks in any manner.

16.2 Applicant hereby acknowledges and agrees that PDF's ~~acceptance~~review of a Prospective Site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the Prospective Site for the Business or for any other purpose. PDF's review or approval of a Prospective Site indicates only that PDF believes the Prospective Site complies with acceptable minimum criteria ~~established by PDF solely for its purposes as of~~for the ~~time of the evaluation, as listed in the Site Development Manual~~industry. Both Applicant and PDF acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential factors for all sites and that, subsequent to PDF's ~~approval~~review of a Prospective Site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from ~~PDF's~~the industries criteria could change, thereby altering the potential of a Prospective Site, lease, or purchase agreement; ~~Such~~such factors are unpredictable and are beyond PDF's control. PDF shall not be responsible for the failure of a Prospective Site approved by Applicant to meet Applicant's expectations as to revenue or operational criteria. Applicant further acknowledges and agrees that its acceptance of a Prospective Site for the operation of the Business at the site is based on its own independent investigation of the suitability of the Prospective Site.

~~16.3 Applicant hereby acknowledges and agrees that PDF's review and/or acceptance of a lease or purchase agreement for a Prospective Site is solely for the determination by PDF of whether such lease or purchase agreement contains the required provisions to protect PDF's interests. Applicant further acknowledges and agrees that PDF's review and/or acceptance of a lease or purchase agreement does not constitute an assurance, representation, legal advice, or warranty of any kind, express or implied, as to such document and/or the contents therein. Applicant hereby further acknowledges and agrees that it will retain independent legal counsel to review any lease or purchase agreement as well as any proposed changes or modifications negotiated by PDF.~~

~~16.4~~16.3 Applicant hereby acknowledges having read this Agreement (and PDF's standard ~~Franchise Agreement and~~ Franchise Disclosure Document), and having the opportunity to clarify all of the terms contained herein and to consult with an attorney or other professional advisor. Further, Applicant understands all of the terms contained in this Agreement and agrees to be bound by all of the obligations contained herein.

16.4 Applicant hereby acknowledges and agrees to enter into the then current PDF Establishment Agreement either concurrently or no later than Applicants completion of Site Training as described above.

XVII. ATTORNEYS' FEES

In the event that either party institutes a legal action that arises out of or relates to this Agreement, the prevailing party shall have the right to collect from the other party all attorney's fees and costs incurred in enforcing this Agreement and/or defending such an action.

XVIII. SURVIVAL

~~Sections~~Articles 9, 10, 12, and any other provisions of this Agreement that by their terms extend beyond termination or expiration of this Agreement shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement.

~~Even though this Agreement contains provisions requiring Applicant to operate the Business and the Franchised Business in compliance with the System~~By providing the above described Training the Applicant acknowledges: (1) Franchisor does not have authority to control the day-to-day conduct and operation of Applicant's ~~business~~Business or employment decisions; and (2) Applicant and Franchisor do not intend for Franchisor to incur any liability to third parties in connection with or arising from any aspect of the ~~System or~~ Applicant's use of the ~~System~~Training, whether or not in accordance with the requirements of the Manuals.

Nothing in this Agreement or any related Agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document. The submission of this Agreement to Applicant does not constitute an offer to Applicant, and this Agreement shall become effective only upon execution by Franchisor and Applicant.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed and delivered this Agreement on the Effective Date.

TRAINOR / FRANCHISOR:
POCKET DELI FRANCHISING, LLC

By:______________________________

Name: Allen Zarou

Title: CEO

TRAINEE / APPLICANT INDIVIDUALS:
____

____

By:____________________________________

Name: ____

Title: ____

[AND as individual(s)]

Signed~~:~~__________________________

_______:_______________________________

Name printed: ____________________

Signed: ____________________

: ____________________

Name printed: ____________________

~~PRELIMINARY AGREEMENT ACKNOWLEDGMENT~~

~~STATE OF __________________~~
~~COUNTY OF ________________~~
~~This instrument was acknowledged before me on _________, 20___, by, _____________ who personally appeared before me at the time of notarization.~~

~~NOTARY PUBLIC - STATE OF ________________~~
~~My Commission Expires: _________________________ (Seal)~~
~~Sign ___________________________~~
~~Print ___________________________~~

~~Personally Known ____ OR Produced Identification ____~~
~~Type of Identification Produced: _______________________________________~~

~~PRELIMINARY AGREEMENT ACKNOWLEDGMENT~~

~~STATE OF __________________~~
~~COUNTY OF ________________~~
~~This instrument was acknowledged before me on _________, 20___, by, _____________ who personally appeared before me at the time of notarization.~~

~~NOTARY PUBLIC - STATE OF ________________~~
~~My Commission Expires: _________________________ (Seal)~~
~~Sign ___________________________~~
~~Print ___________________________~~

~~Personally Known ____ OR Produced Identification ____~~
~~Type of Identification Produced: _______________________________________~~

~~PRELIMINARY AGREEMENT ACKNOWLEDGMENT~~

~~STATE OF __________________~~
~~COUNTY OF ________________~~

~~This instrument was acknowledged before me on _________, 20___, by Allen Zarou, who is the Managing Member of Pocket Deli Franchising, LLC, who personally appeared before me at the time of notarization.~~

~~NOTARY PUBLIC - STATE OF ________________~~
~~My Commission Expires: _________________________ (Seal)~~
~~Sign ___________________________~~
~~Print ___________________________~~

~~Personally Known ____ OR Produced Identification ____~~
~~Type of Identification Produced: _______________________________________~~

PERSONAL GUARANTY ADDENDUM

In consideration of, and as an inducement to, the execution and delivery by Pocket Deli Franchising, LLC ("PDF") of the Preliminary Agreement, each of the undersigned individuals hereby personally and unconditionally, jointly and severally, (1) guarantees to PDF and its successors and assigns, for the term of the Preliminary Agreement and thereafter as provided in the Preliminary Agreement, that the Applicant shall punctually pay and perform every undertaking, agreement and covenant set forth in the Preliminary Agreement (including without limitation the confidentiality and non-competition provisions in Section 9 of the Preliminary Agreement), and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision of the Preliminary Agreement as if the undersigned were the original signatories hereto. If any of the undersigned shall be husband and wife, the obligations of each such husband and wife under this personal guaranty shall be individual and joint and several.

TRAINEE(S) / APPLICANT ~~INDIVIDUALS~~INDIVIDUAL(S) FOR:

____

as individual(s) OWNERS & PERSONAL GUARANTORS:

Signed:______________________________________

Name printed:____________________________

Membership/Ownership %:__________________

Signed:__________________________________

Name printed:____________________________

Membership/Ownership %:__________________

~~**NOTARY PAGE TO FOLLOW ON THE NEXT PAGE**~~

SCHEDULE 1 TO THE PRELIMINARY AGREEMENT

ESTABLISHMENT ~~PERSONAL GUARANTY ADDENDUM ACKNOWLEDGMENT~~

~~STATE OF __________________~~
~~COUNTY OF ________________~~
~~This instrument was acknowledged before me on __________, 20___, by, ______________ who personally appeared before me at the time of notarization.~~

~~NOTARY PUBLIC - STATE OF ________________~~
~~My Commission Expires:~~
~~Sign ___________________________~~
~~Print ___________________________~~

~~Personally Known ____ OR Produced Identification ____~~
~~Type of Identification Produced: _______________________________________~~

~~**PERSONAL GUARANTY ADDENDUM ACKNOWLEDGMENT**~~

~~STATE OF __________________~~
~~COUNTY OF ________________~~
~~This instrument was acknowledged before me on __________, 20___, by, ______________ who personally appeared before me at the time of notarization.~~

~~NOTARY PUBLIC - STATE OF ________________~~
~~My Commission Expires:~~
~~Sign ___________________________~~
~~Print ___________________________~~

~~Personally Known ____ OR Produced Identification ____~~
~~Type of Identification Produced: _______________________________________~~

TRAINING REQUEST FORM

One Form for all ~~Internal Managers~~Attendees Must be Submitted who will attend Training

(Submit once applicable)

I certify that I have completed the following items, which are included, and am now eligible to begin my initial training module.

- Final Site Selection that Franchisee intends to negotiate the lease on
- Note: It is advisable to not negotiate the actual lease until you have attended training

Preferred Training Dates:

____

~~**(Submit once applicable)**~~

~~I certify that I have completed the following items, which are included, and am now eligible to begin my training module.~~

- ~~Credit Check and Drug Test~~
- ~~Background Check~~
- ~~A current photo (passport sized)~~
- ~~Certified that myself, and all employees are legal U.S. Residents~~

~~*Please send my Site Selection Manual to:*~~ ______________________________________

~~Franchise~~ Business Name~~:~~ ____
(Must have): ____

Contact Name: ____

Address: ____

City, State, Zip: ____

Phone: ______________________ *Cell Phone:* ______________________________

Email: ____

Date: ______________________

Comments: ____

Fax This Form to 512-535-0084 ~~Or~~or Email to Processing@SLA.Law

This Form must be submitted to PDF prior to beginning the ~~training~~ Establishment Training timeline. ~~Preferably all pre-training should commence at least 60 days prior to the initial training program.~~ Upon receipt of this Form PDF will begin processing within three (3) business days~~. Once completed, the Site Selection Manual package~~ and will ~~be mailed either through FedEx® or USPS®. PDF does not guarantee delivery times or schedules but will provide a tracking number so that You can track the package. If You have any questions or concerns, please~~ contact ~~Us and ask~~you with your final training dates.

This form will also activate the preparation of the Establishment Agreement for your execution, now that your site training has been completed. You will receive the Establishment Agreement either electronic or in duplicate from PDFs' attorneys directly.

SCHEDULE 2 TO THE PRELIMINARY AGREEMENT
PROMISSORY NOTE

EXHIBIT D
TO FRANCHISE DISCLOSURE DOCUMENT
POCKET DELI FRANCHISING, LLC
ESTABLISHMENT AGREEMENT

By and Between

POCKET DELI FRANCHISING, LLC
TRAINOR

AND

_______________________________________, APPLICANT

ESTABLISHMENT AGREEMENT

This Establishment Agreement (the "Agreement") is executed this _____ day of ______, 20 by and between Pocket Deli Franchising, LLC, a Texas Limited Liability Company, whose principal office is located at 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613, ("Trainor", and "Franchisor"), and ____________________________, as authorized representative of ______________________, whose address is __________________________________, jointly and severally, ("Applicant" or "Trainee").

WHEREAS, PDF is involved in the business of training people to open fast-casual businesses involving fast food restaurant businesses; and

WHEREAS, Applicant has completed the PDF fast-casual Site Training to PDF's satisfaction.; and

WHEREAS, Applicant wishes to avail oneself/themselves of PDF's assistance and training in the Establishment of a fast-casual business; and

WHEREAS, PDF has received certain financial and other information provided by Applicant to PDF and is relying upon that information in permitting Applicant to enter into this Agreement.

NOW THEREFORE, in consideration of the mutual benefits contained herein, the parties agree as follows:

I. EVALUATION AND FEES.

Prior to entering into this Establishment Agreement Applicant must have completed PDF's Preliminary Site Training to PDF's satisfaction. Applicant must have also submitted in writing, through the forms available in the Preliminary Agreement, the Application for Establishment Training. If, for any reason, Franchisor elects not to accept Applicant's Establishment Training Application, it shall notify Applicant within such Ten days (10) day period. Upon such notice PDF shall be under no further obligation to Applicant for any reason, and PDF shall be fully and forever released from any claims or causes of action Applicant may have under or pursuant to this Agreement or any other agreement or understanding between the parties hereto.

If Applicants Application is accepted by PDF, Applicant shall pay to PDF the sum of Twenty Thousand Dollars ($20,000) (the "Establishment Agreement Fee"). The Fee is deemed fully earned upon its receipt by PDF.

II. PRE-TRAINING ~~Processing.~~

REQUIREMENTS.

2.1 Applicant has identified a Site for Applicants Business and intends to negotiate a lease or purchase on the identified Site.

2.2 Applicant has become familiar with the types of entities available for operation of Applicants Business.

2.3 Applicant has identified any key employees that should also receive the Establishment Training and is prepared for the financial burden of bringing those key employees to Training.

III. TRAINORS OBLIGATIONS

Trainor's sole obligation to the Applicant is to provide an Establishment Training Program and a Business Establishment Manual specific to establishing a business within the fast-casual Industry.

IV. BUSINESS ESTABLISHMENT MANUAL

Trainor will provide you with a fast-casual Industry Business Establishment Training Manual. The Table of Contents for the Manual, as of the date of this Disclosure Document is as follows:

FAST-CASUAL BUSINESS ESTABLISHMENT MANUAL	Page Count
1) Chapter Heading: Creating the Company	8
a) Types of Companies	
i) Sole Proprietorship	
ii) Partnerships (LP, LLP, LLLP)	
iii) Limited Liability Company (Manager, Member and Series)	
iv) Corporation (C-Corp and S-Corp)	
b) Operating Agreement	
c) Partnership Agreement	
d) Business Trust	
e) Succession Planning	
2) Chapter heading: Banking and credit cards	3
a) What type of accounts to open	
b) Credit Card types	
c) Options for processing	
d) Understanding Credit card processors	
3) Chapter heading: Utilities and Services	4
4) Chapter heading: Licenses and permits	5
a) Typical licenses required	
b) Direction to check local requirements regarding codes, zoning, etc.	
5) Chapter heading: Signs	7
a) Requirements	
b) Approval process	
6) Chapter heading: Your Tax Obligations	2
a) How to get a Federal Tax ID number, etc.	
b) What to use the Tax ID number for	
c) Federal Taxes	
d) State Taxes	
7) Chapter heading: Insurance	2

a) Types of coverage	
i) Specifics of coverage required	
b) Insurance company rating requirements	
8) Chapter heading: General contractors	3
i) How to select a general contractor	
ii) How to work with any sub- contractors	
iii) Liens and lien releases – how they function	
9) Chapter heading: Equipment and supplies	7
i) Types of Vendors information	
ii) Types of equipment and supplies	
iii) Vendor Agreements	
(1) Common clauses	
(2) Returns	
(3) Shipping terms	
10) Chapter heading: Furnishings and design	6
a) Architects	
b) Types of typical layouts for your industry	
i) Front of House	
ii) Back of House	
iii) Office areas	
c) Design specs such as paint, finishes and flooring	
11) Professionals needed	4
a) Accounting	
i) Accounting Files setup	
ii) Accounting software choices	
iii) Accounting Chart of Accounts for your industry	
b) Bookkeeper	
i) What reports to provide	
ii) What reports should you receive	
iii) How to ensure compliance	
iv) State taxes	
v) Federal Taxes	
c) CPA	
d) Insurance Agent	
e) Attorney	
12) POS Systems	4
a) What is it	
b) What options are available	
c) What reports should it provide	
d) What 3rd party providers should it work with	
13) Emergency Practices	5
a) Security	
b) Theft	
c) Natural Disasters (fire, earthquake, tornado, hurricane)	
d) Family emergencies for employees	
14) Policies	2
a) Privacy policy	
b) Data Security policy	
c) Credit Card policies	
d) Opening and Closing policies	
e) Money Handling policies	
15) Human Resources	6
a) Locating potential employees	
b) Interviewing	
c) Hiring	
d) Wage & Hour	

e) Reporting	
f) Taxes	
g) Handling Garnishments	
h) Handling Write-ups	
16) Customer Service	4
a) Finding the Customer	
b) Marketing to the Customer	
c) Creating Culture	
d) Greeting the customer	
e) Concluding the Sale policy	
f) Return policies	
g) After Sale Marketing	

V. BUSINESS ESTABLISHMENT TRAINING PROGRAM

Applicant will receive Business Establishment Training pertaining to the fast-casual industry based off of the topics included in the Business Establishment Manual discussed in Article 4 above.

VI. TERM OF AGREEMENT AND EXTENSIONS

This Agreement shall terminate upon PDF's completion of the above-mentioned Business Establishment Training course.

VII. TERMINATION/EXPIRATION PRIOR TO EXECUTION OF LEASE OR PURCHASE AGREEMENT

7.1 Notwithstanding anything to the contrary herein, PDF has the right to terminate this Agreement for any reason by providing written notice to Applicant at any time before Applicant begins the above-mentioned training.

7.2 Upon such termination, Applicant shall promptly return the Business Establishment Manual and any other materials provided by PDF to Applicant and PDF will:

7.2.1. Owe no other duties and will not be obligated to Applicant in any manner, under this Agreement or otherwise; and

7.2.2. Be released and forever discharged by Applicant from all claims, debts, fees, liabilities, demands, obligations, costs, expenses, actions and causes of action which Applicant hold or may hold against PDF, arising prior to and through the date this Agreement is terminated by PDF.

VIII. APPLICANT'S INFORMATION

8.1 Applicant shall immediately notify PDF of any material change in the information provided to PDF in Applicant's preliminary questionnaire or any other application materials and provide PDF with updated personal financial information and a detailed written explanation of the change.

8.2 If, in PDF's reasonable discretion, there have been no material adverse changes in Applicant's information pursuant to Section 8.1 above, Applicant shall have the right, without the obligation, to apply to be granted PDF's then-current Ongoing Franchise Agreement.

IX. CONFIDENTIALITY/NON-COMPETITION

9.1 The Business Establishment Manual and all materials included therein shall at all times remain the property of PDF and will be immediately returned to PDF upon the termination or expiration of this Agreement or at any other time as requested by PDF.

9.2 Applicant acknowledges that PDF will devote time, effort, and resources to assist Applicant in establishing it's Business. Applicant further acknowledges that the information that will be developed during these efforts constitutes valuable, confidential trade secrets of PDF. Applicant therefore agrees that if this Agreement expires or is terminated for any reason, by Applicant or by PDF, the Applicant will not, for a period of two (2) years after the termination date of this Agreement Applicant will not disseminate any Confidential Information it may have gleaned from its relationship with PDF. Furthermore, Applicant acknowledges that PDF has devoted significant time, effort, money and resources to develop goodwill in the name "Pocket Deli." Accordingly, Applicant agrees that if this Agreement expires or is terminated for any reason, by Applicant or by PDF, to refrain from any discussions or communications, including via any public channels, forums or blogs on the Internet, with any employee, former employee, customer, broker, landlord or any person or persons associated or formerly associated with PDF its CCIM network, vendors or any of those company's affiliates, that could be considered detrimental to the goodwill of the Pocket Deli System or the name "Pocket Deli."

9.3 Applicant further acknowledges that it will receive additional, valuable, confidential information in addition to the information referred to in the preceding paragraph. Applicant recognizes that the disclosure and/or use of any of this confidential information by Applicant or anyone affiliated with Applicant would be detrimental to PDF. Applicant's obligation to maintain the confidentiality of information received from PDF does not apply to information which came to Applicant's attention before' PDF disclosed it to Applicant or to information which becomes public knowledge through disclosure by others without the assistance of Applicant. Applicant agrees that Applicant:

> 9.3.1 Will hold in strict confidence any and all information that is designated by PDF as confidential and will not, directly or indirectly, reproduce, photocopy, disclose or distribute such information to another person, without the prior written consent of PDF;
>
> 9.3.2 Will neither use nor assist anyone else to use such confidential information unless such use is for the express purpose of designing and/or developing the Business; and

X. LIMITATION OF LIABILITY

In the event Applicant files a complaint or lawsuit, alleges a cause of action and/or makes a claim of any kind against PDF or one or more of its officer, directors, employees or affiliates (the "Pocket Deli Parties") in a court or tribunal or before an administrative agency, regarding, arising from or relating to this Agreement or PDF's actions thereunder, irrespective of the outcome of the complaint or lawsuit, the liability of the PDF Parties and each of them to Applicant shall be limited to a refund of the actual funds paid to PDF by Applicant pursuant to this Agreement and the Pocket Deli Parties and each of them shall have no other liability whatsoever to Applicant regardless of Applicant's allegations. ~~**INITIAL TRAINING REQUEST FORM**~~

~~**One Form for all Owners/Internal Managers Must be Submitted who will attend Initial Training**~~

~~**(Submit once applicable)**~~

~~I certify that I have completed the following items, which are included, and am now eligible to begin my initial training module.~~

- ~~Final Site Selection that Franchisee intends to negotiate the lease on~~
- ~~Note: It is advisable to not negotiate the actual lease until you have attended training~~

~~*Preferred Training Dates:*~~

A COURT MAY AWARD INJUNCTIVE RELIEF, BUT APPLICANT HEREBY WAIVES APPLICANT'S RIGHT TO COLLECT AND WILL HAVE NO AUTHORITY TO COLLECT PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES.

XI. NON-ASSIGNMENT

This Agreement is personal to Applicant and may not be assigned, sold or otherwise transferred by Applicant to any other person or entity without PDF's prior written consent, which PDF may withhold at its sole and absolute discretion. Execution of this Agreement is not dependent on Applicant executing any future agreements with Trainor, nor is it a guarantee that Trainor will accept Applicant to enter into any future Agreements with Trainor.

XII. INTELLECTUAL PROPERTY

Nothing in this Agreement shall be construed as a right to use or access Trainor's Intellectual Property. Any use or disclosure of Trainor's Intellectual Property shall be for the sole purpose of identifying the rightful owner of said intellectual property. Furthermore, Trainor will not protect or assist you in any claim of infringement or unfair competition claims arising from your use of the materials.

XIII. APPLICABLE LAW/CONSENT TO FORUM

13.1 This Agreement and all of its provisions will be governed, interpreted and construed pursuant to the law of Williamson County, TX, which law will prevail in the event of any conflict of law; and the law of Williamson County, TX shall be used to enforce any and all rights and duties conferred by and which arise under this Agreement, provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of Williamson County, TX, those provisions will be interpreted and construed under the laws of the state of Applicant's principal address as set forth in the initial paragraph of this Agreement. The parties further acknowledge and agree that this Agreement and the relationship created by this Agreement will not be subject to the provisions of the Williamson County, TX Franchise Registration and Disclosure Law unless the Business is located in Williamson County, TX.

13.2 The parties agree that any cause of action by either party against the other must be filed in the United States District Court for the District of Williamson County, TX, and the parties and all personal guarantors hereof do hereby waive all questions of personal and subject matter jurisdiction or venue for the purpose of carrying out this provision; provided, however, if PDF moves its corporate offices to another state, the United States District Court for the judicial district to which the corporate offices are moved, and the state court in the county to which the corporate officers are moved, shall replace the United States District Court for the District of Williamson County, TX for purposes of this Section 12.2.

13.3 Nothing in this Agreement will bar PDF's right to apply for injunctive relief in any court of competent jurisdiction against threatened or actual conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. Should PDF obtain a restraining order or preliminary injunction against Applicant, Applicant shall be liable for all of PDF's attorneys' fees and costs that are related to and/or arise from obtaining such relief.

XIV. NOTICES

Any and all notices, demands, and requests required or permitted under this Agreement will be in writing and will be personally delivered with a receipt or mailed by United States certified or registered mail, return receipt requested, postage paid, or sent by a nationally recognized overnight courier service which provides evidence of receipt, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to PDF:
Pocket Deli Franchising, LLC
1320 Arrow Point Drive, Suite 501-90
Cedar Park, TX 78613
Attn: Allen Zarou

Notices to Applicant:

____

____

All notices delivered in the foregoing manner will be deemed to have been given at the time the return receipt is executed, and, in any event, no more than five (5) business days after the notice is mailed. If Applicant's address, as stated above, changes during the term of this Agreement, Applicant shall immediately notify PDF of that change in writing.

XV. ENTIRE AGREEMENT

This Agreement, and the attachments to this Agreement constitute the entire, full and complete Agreement between PDF and Applicant concerning the subject matter of this Agreement and supersede all prior agreements. No other representation has induced Applicant to execute this Agreement, and there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not in this Agreement, which are of any force or effect with reference to this Agreement or otherwise. Except for those permitted to be made unilaterally by PDF under this Agreement, no amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement is intended to disclaim the representations PDF made in the Franchise Disclosure Document that PDF furnished to Applicant.

XVI. SEVERABILITY AND CONSTRUCTION

16.1 Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and/or provision of this Agreement will be considered severable; and if for any reason a portion, section, part, term and/or provision in this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, that will not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible; and the latter will continue to be given full force and effect and bind the parties of this Agreement; and the invalid portions, sections, parts and/or provisions will be deemed not to be a part of this Agreement.

16.2 Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity other than PDF or Applicant.

16.3 Applicant expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is contained within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision in which PDF is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

16.4 All captions in this Agreement are intended solely for the convenience of the parties, and none will be deemed to affect the meaning or construction of any provision of this Agreement.

16.5 All references in this Agreement to the masculine, neuter or singular will be construed to include the masculine, feminine, neuter, or plural, where applicable; and all acknowledgments, promises, covenants, agreements, and obligations in this Agreement made or undertaken by Applicant will be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Applicant.

16.6 This Agreement may be executed in several parts, and each copy so executed will be deemed an original.

XVII. ACKNOWLEDGMENTS

17.1 Applicant acknowledges and agrees that this Agreement is not a franchise agreement and does not grant to Applicant any right to use the Pocket Deli System , PDF's Intellectual Property, or any of PDF's Marks in any manner.

17.2 Applicant hereby acknowledges and agrees that PDF's review of a Prospective Site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the Prospective Site for the Business or for any other purpose. PDF’s review or approval of a Prospective Site indicates only that PDF believes the Prospective Site complies with acceptable minimum criteria for the industry. Both Applicant and PDF acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential factors for all sites and that, subsequent to PDF's review of a Prospective Site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from the industries criteria could change, thereby altering the potential of a Prospective Site, lease, or purchase agreement; such factors are unpredictable and are beyond PDF's control. PDF shall not be responsible for the failure of a Prospective Site approved by Applicant to meet Applicant's expectations as to revenue or operational criteria. Applicant further acknowledges and agrees that its acceptance of a Prospective Site for the operation of the Business at the site is based on its own independent investigation of the suitability of the Prospective Site.

17.3 Applicant hereby acknowledges having read this Agreement (and PDF's standard Franchise Disclosure Document), and having the opportunity to clarify all of the terms contained herein and to consult with an attorney or other professional advisor. Further, Applicant understands all of the terms contained in this Agreement and agrees to be bound by all of the obligations contained herein.

17.4 Applicant acknowledges that PDF does not warranty any of the information within its programs.

17.5 Applicant acknowledges that Applicant shall hold harmless and indemnify Trainor against all loses and expenses incurred in connection with any action, suit, demand, claim, investigation, formal or informal inquiry, or settlement resulting from Applicants actions relating to the information contained in this Agreement or its associated training.

17.6 Applicant acknowledges that any disputes arising out of this Agreement must be settled through mandatory mediation.

XVIII. ATTORNEYS' FEES

In the event that either party institutes a legal action that arises out of or relates to this Agreement, the prevailing party shall have the right to collect from the other party all attorney's fees and costs incurred in enforcing this Agreement and/or defending such an action.

XIX. SURVIVAL

Sections 9, 10, 12, and any other provisions of this Agreement that by their terms extend beyond termination or expiration of this Agreement shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement.

By providing the above described Training the Applicant acknowledges: (1) Franchisor does not have authority to control the day-to-day conduct and operation of Applicant's Business or employment decisions; and (2) Applicant and Franchisor do not intend for Franchisor to incur any liability to third parties in connection with or arising from any aspect of the Applicant's use of the Training, whether or not in accordance with the requirements of the Manuals.

Nothing in this Agreement or any related Agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document. The submission of this Agreement to Applicant does not constitute an offer to Applicant, and this Agreement shall become effective only upon execution by Franchisor and Applicant.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed and delivered this Agreement on the Effective Date.

TRAINOR:
POCKET DELI FRANCHISING, LLC

By: ______________________________

Name: Allen Zarou

Title: CEO

TRAINEE / APPLICANT INDIVIDUALS:
____

By: ______________________________

Name: ______________________________

Title: ______________________________

[AND as individual(s)]

Signed: ______________________________

Name printed: ______________________________

Signed: ______________________________

Name printed: ______________________________

SCHEDULE 1 TO THE ESTABLISHMENT AGREEMENT
PERSONAL GUARANTY ADDENDUM~~Franchise~~

In consideration of, and as an inducement to, the execution and delivery by Pocket Deli Franchising, LLC (PDF") of the Establishment Agreement , each of the undersigned individuals hereby personally and unconditionally, jointly and severally, (1) guarantees to PDF and its successors and assigns, for the term of the Establishment Agreement and thereafter as provided in the Establishment Agreement, that the Applicant shall punctually pay and perform every undertaking, agreement and covenant set forth in the Establishment Agreement (including without limitation the confidentiality and non-competition provisions in Section 9 of the Establishment Agreement), and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision of the Establishment Agreement as if the undersigned were the original signatories hereto. If any of the undersigned shall be husband and wife, the obligations of each such husband and wife under this personal guaranty shall be individual and joint and several.

TRAINEE(S) / APPLICANT INDIVIDUAL(S) FOR:

____

____

as individual(s) OWNERS & PERSONAL GUARANTORS:

Signed: ______________________________	Signed: ______________________________
Name printed: ______________________________	Name printed: ______________________________
Membership/Ownership %: ______________	Membership/Ownership %: ______________

SCHEDULE 2 TO THE ESTABLISHMENT AGREEMENT
APPLICATION FOR FRANCHISE AGREEMENT
(Submit once applicable)

I certify that I have completed the following items, proof of which has been included, and, by submission of this form, desire to be considered by PDF to be awarded an Ongoing Franchise Agreement.

- Preliminary Agreement Training
- Business Establishment Training
- Franchise Application

*Business Name (Must have):*____

Contact Name: ____

Address: ____

City, State, Zip: ____

Phone: ________________________ *Cell Phone:* _________________________________

Email: ____

Date: ________________________

Comments: ____

____

Fax This Form to 512-535-0084 or Email to Processing@SLA.Law

This Form must be submitted to PDF prior to ~~beginning the training timeline. Preferably all initial training~~being considered for a franchise. This form should ~~commence at least~~be submitted 60 days prior to ~~the soft opening / grand opening of the location.~~Your anticipated Business Opening date. Upon receipt of this Form PDF will begin processing within three (3) business days and will contact you with ~~the~~our final ~~training dates~~decision within the allotted time.

~~This form will also activate the preparation of the Franchise Agreement for your execution, now that a site has been selected. You will receive the Franchise Agreement either electronic or in duplicate from PDFs' attorneys directly.~~

If you have any questions please contact us and ask for Application Processing.

SCHEDULE 2 TO THE PRELIMINARY AGREEMENT
PROMISSORY NOTE

EXHIBIT E
TO FRANCHISE DISCLOSURE DOCUMENT
POCKET DELI FRANCHISING, LLC
ONGOING FRANCHISE AGREEMENT

~~Date: ______________~~

Franchise Unit #_______

By and Between

POCKET DELI FRANCHISING, LLC, FRANCHISOR

and

ONGOING FRANCHISE AGREEMENT
SUMMARY PAGE(S)

EFFECTIVE DATE:		_______day of _____________________, 20___
FRANCHISEE:		____, a _____________________________________ ___________________________________
FRANCHISEE'S ADDRESS FOR NOTICES:		____, ____
TELEPHONE NUMBER:		_______________
EMAIL ADDRESS:		_________________ _______________________________________
FRANCHISE LOCATION:		~~_________________~~tbd
PRELIMINARY AGREEMENT FEE:		Fifteen Thousand Dollars ($15,000) for access to the information provided in the Site Selection Manual
~~PRELIMINARY~~ESTABLISHMENT AGREEMENT FEE~~:~~		~~$15~~Twenty Thousand Dollars ($20,000~~.00 for the Preliminary Agreement~~) for access to the information provided in the ~~Preliminary~~Establishment Agreement
INITIAL FRANCHISE FEE:		$~~35,000~~0.00 for a single unit~~, payable pursuant to~~ . Franchisor acknowledges previous receipt of the ~~terms of Exhibit 14 attached hereto~~Preliminary Agreement Fee and the Establishment Agreement Fee
INITIAL TERM:		Ten years (10) years
GRAND OPENING EXPENDITURE:		Seven Thousand ~~and~~And Five Hundred Dollars ($7,500.00) To Fifteen Thousand Dollars ($15,000.00)
NATIONAL MARKETING FUND FEE:		1.5 % of gross sales or ~~One Hundred~~one hundred and ~~Fifty Dollars~~fifty dollars ($150.00) per week, whichever is greater
LOCAL ADVERTISING REQUIREMENT:		Franchisee must spend at least $2,000 on local advertising per month
ROYALTY FEE:		~~Franchisee~~The Royalty Fee will ~~begin paying the First Level~~be at Six ~~percent~~Percent (6%) ~~of Gross Sales as the Royalty Fee; Franchisee will begin paying the Second Level once~~to begin with., Once You achieve and maintain Seven Hundred and Fifty Thousand Dollars ~~is achieved and maintained in Gross Sales, which will reduce the Royalty Fee to~~ ($750,000.00), You will pay Five and a Half percent (5.5~~%); Franchisee will begin paying the Third Level once Franchisee achieves~~%) of Gross Sales as the Royalty Fee Weekly, Once You achieve and ~~maintains~~maintain One Million Dollars ($1,000,000.00~~) and beyond, which~~), You will ~~reduce the Royalty~~

		~~to~~pay Five percent (5%) of Gross Sales as the Royalty Fee, for the limited right to use the tradename and items listed on Exhibit 6 attached
~~INTRANET~~TECHNOLOGY FEE:		The initial set-up of Ninety-Nine Dollars ($99.00) ~~per month~~to set-up and ~~maintains~~maintain the intranet, online reservations platform, and payment processing systems, further discussed in Section 3.6
~~SOFTWARE FEE:~~		~~Eight Hundred Dollars ($800.00) per month~~
RENEWAL FEE:		~~Subject to the conditions below, Franchisee has the right to obtain a successor franchise at the expiration of the Term of this Agreement by entering into a new Franchise Agreement with Franchisor and paying the Renewal fee equal to Twenty Percent (20%) Of Then Current Franchise Fee.~~The Renewal fee is equal to Seven Thousand ($7,000.00) due at the time of submitting your request to renew.
RENEWAL TERM:		Franchisee's right to a successor franchise is limited to one (1) successive term of 10 years
TRANSFER FEE:		Transfer Fee payable to Franchisor upon notice is Fifteen Thousand Dollars ($15,000.00); plus~~,~~ a Transfer Training Fee of Ten Thousand Dollars ($10,000.00)
MINIMUM SALES VOLUME:		Franchisee must meet or exceed~~ at least~~ Three Hundred and Eighty Thousand Dollars ($380,000.00) within their first year, the second year will require a 20% growth of their actual year one earnings, the third year will require a 10% growth of their actual year two earnings, and the fourth year and beyond, you must maintain, at minimum, the same growth from the third year.
SITE SELECTION DEADLINE DATE:		__________________ pursuant to Section 2.3
TRAINING DEADLINE DATE:		__________________ pursuant to Section 16.4
OPEN FOR BUSINESS DEADLINE DATE:		__________________ pursuant to Section 16.4
FRANCHISEE'S TERRITORY:		(A portion of) ____________________________________ __________________
MEDIATION REQUIRED:		Mediation required in the State of Williamson County, TX for all disputes
FRANCHISOR ADDRESS FOR NOTICES:		Pocket Deli Franchising, LLC Attn: Franchise Operations 1320 Arrow Point Drive, Suite 501-90 Cedar Park, TX 78613 with copy to: Pocket Deli Franchising~~, LLC~~ c/o Shelton Law & Associates Law Firm ~~3235 Sunrise Blvd.,~~1320 Arrow Point Drive, Ste ~~1~~501 ~~Rancho Cordova, CA 95742~~Cedar Park, TX 78613

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed and delivered this Agreement on the Effective Date, and hereby accepts and approves the attached Franchise Agreement, with its Exhibits 1-13. Franchisee hereby acknowledges that the Exhibits include Non-Competition and Non-Disclosure items, Personal Guaranty's and the requirement to abide by the laws under the United States Department of Homeland Security to name just a few. This Agreement was requested to be sent electronically for ease of signing, and is hereby acknowledged by the parties that both Parties have and had the ability prior to signing to review the final Franchise Agreement in its entirety and the ability to have it reviewed by their respective legal and financial counsel, or advisors of their choosing.

The Parties intend to be bound by all the terms of the Franchise Agreement and all its attached Exhibits, including specifically, the clauses and terms of:

- Non-Disclosure and Non-Competition Agreement attached as Exhibit 2
- The Guaranty and Assumption of Obligations attached as Exhibit 3
- Holders of Legal or Beneficial Interest attached as Exhibit 4
- The Applicable State Addendum attached as Exhibit 5
- The Trademarks Guidelines attached as Exhibit 6
- The Truthfully filled out Franchise Disclosure Questionnaire attached as Exhibit 7
- The ACH Withdrawal Form attached as Exhibit 8
- The Telephone Number Assignment Agreement and Power of Attorney attached as Exhibit 9
- The Credit and Security Agreement attached as Exhibit 10
- The Territory attached as Exhibit 11
- The Lease Addendum attached as Exhibit 12
- The Homeland Security Agreement attached as Exhibit 13
- The Promissory Note attached as Exhibit 14

FRANCHISEE:
____,
____

By:____________________________________

Name: _____________________________

Title: _________________________________

FRANCHISEE PERSONAL GUARANTOR

____
Personally and Individually (Printed Name)

____
Personally and Individually (Signature)

HOME ADDRESS

____
____
_ ____
__

TELEPHONE NO.: _______________
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: ____%
Social Security ~~#:~~_________________
#:_______________________

FRANCHISEE PERSONAL GUARANTOR

______________________________ ___Personally and Individually (Printed Name)

____
Personally and Individually (Signature)

HOME ADDRESS

____
____

TELEPHONE NO.: _______________
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE:____%
Social Security #:________________

IN WITNESS WHEREOF, The Franchisor hereby agrees to award the attached Franchise Agreement opportunity to the above listed individuals and their legal entity, as listed as the Franchisee, based upon the terms and conditions contained in this Franchise Agreement, and all its Exhibits currently numbered 1 through ~~13~~14.

FRANCHISOR:
POCKET DELI FRANCHISING, LLC

By:________________________________

Name: Allen Zarou

Title: CEO

ONGOING FRANCHISE AGREEMENT

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ONGOING FRANCHISE AGREEMENT

This Ongoing Franchise Agreement (“Franchise Agreement”) made as of the Effective Date shown on the Franchise Agreement Summary Page by and between the Franchisor, shown on the Franchise Agreement Summary Page, (hereinafter also known as “We” “Us” or ~~“~~Pocket Deli”) and the Franchisee, shown on the Franchise Agreement Summary Page whose principal address is also listed on the Franchise Agreement Summary Page (“Franchisee”).

WHEREAS, Franchisor has developed, and is in the process of further developing, a System identified by the trademark ~~“~~Pocket Deli” and relating to the establishment and operation of a franchised business providing high quality, sandwiches using daily, baked from scratch bread, chopped vegetables, meats and cheeses stuffed on demand for the freshest pockets and deli fare available anywhere~~.~~ ; and

WHEREAS, Franchisor has developed a business plan and method of establishing and conducting the Business and operating Businesses emphasizing prompt and courteous service in a friendly and helpful atmosphere which is intended to be attractive to patrons and utilizing certain standards, specifications, methods, procedures, techniques, management techniques, proprietary marks, commercial symbols, trade dress and other proprietary or confidential information, as they may be improved, and further developed from time to time hereafter by Franchisor (the "System"); and

WHEREAS, the distinguishing characteristics of the System include, without limitation, the trade names, trademarks, and service marks and associated logos and symbols set forth on Exhibit 6 attached hereto and made a part hereof by reference, and such other marks as Franchisor may develop from time to time hereafter and designate for use in connection with the System (the "Marks"); the trade dress of the Business; signage, decorations, equipment, furnishings and materials, as necessary; the Confidential Operations Manual; uniform operating methods, procedures and techniques; methods and techniques for inventory and cost controls, record keeping, reporting, personnel management, and purchasing (all of which may be improved and further developed by Franchisor from time to time); all such Marks and other distinguishing characteristics being owned by Franchisor; and

WHEREAS, Franchisor grants to qualified persons and business entities the right to own and operate Pocket Deli~~TM~~® Businesses using the System and the Marks; and

WHEREAS, Franchisee has completed successfully a Site Selection Training and the fast casual, and desires to operate a Pocket Deli~~TM~~® Business, has applied for ~~the~~an Ongoing Franchise and such application has been approved by Franchisor in reliance upon all of the representations made herein and therein; and

WHEREAS, Franchisee acknowledges that it is essential to the maintenance of the high standards of the System, and to the preservation of the integrity of the System and the Marks and goodwill of the Franchisor, that each Franchisee in the System maintain and adhere to certain uniform standards, procedures and policies hereinafter described, and operate the Franchise Business in strict conformity with Franchisor's standards and specifications; and

WHEREAS, Franchisor has, and continues to develop, use, protect, and control the Marks for the benefit and exclusive use of itself and its Franchisees in order to identify for the public the source of the products and/or services marketed under the System and to represent the System's high standards of quality; and

WHEREAS, the establishment and maintenance of a close working relationship with Franchisee and Franchisee's adherence to the tenants of Franchisor's System constitute the essence of this Franchise; and

WHEREAS, Franchisee desires, upon the terms and conditions set forth herein, to enjoy the benefits of operating under the System and of using the Marks and to be licensed to operate a Business in strict accordance with the standards and specifications of the System (the "Franchise Business"); and

WHEREAS, Franchisee has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of its own choosing; and

WHEREAS, Franchisor is willing to grant Franchisee a license under the System and the Marks to operate a Franchise Business, subject to Franchisee's strict compliance with the terms and conditions of this Agreement and in reliance upon Franchisee's representations made in this Agreement and in Franchisee's application to become a Franchisee under the System.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 - DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings:

“Affiliate” means any business entity that controls, is controlled by, or is under common control with Franchisor;

“Agreement” means this agreement entitled ~~“~~Pocket Deli Franchising, LLC~~,~~ Franchise Agreement” and all instruments supplemental hereto or in amendment, exhibit or confirmation hereof;

“Approved Location” means the site for the operation of the Franchised Business selected by Franchisee and approved in writing by Franchisor;

“Approved Supplier(s)” means only those companies, and vendors who provide the services, product items, supplies, signs, equipment and other items and services Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor’s specifications and quality standards. Franchisor shall provide Franchisee, in the Manual or other written or electronic form, with a list of Approved Suppliers. Further description and requirements can be found in the terms contained in Section 13.1;

“National Marketing Fund” means the collective fund supplied by the National Marketing Fund Contributions by all Franchisees which allows the Franchisor to establish and administer national or regional marketing, pursuant to the terms in Section 11.3, shall have the same meaning as the term Marketing Fund and each may be interchanged throughout this Agreement;

“National Marketing Fund Contribution” means paying Franchisor 1.5 % of ~~Gross Sales~~gross sales or ~~One Hundred~~one hundred and ~~Fifty Dollars~~fifty dollars ($150.00) per week, whichever is greater following the date the franchised business is open to the public, billed and collected by ACH from the Electronic Depository Transfer Account, for the previous week ending the last full day of the preceding week, which will be credited to the collective Franchisee Marketing Fund, pursuant to the terms in Section 3.3. often referred to as Marketing Fund Contributions;

"CPI" means the Consumer Price Index, further discussed in Article 3 of this Agreement;

"Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) ~~quick service restaurant services~~sandwiches using daily, baked from scratch bread, chopped vegetables, meats and cheeses stuffed on demand for the freshest pockets and deli fare available anywhere that are offered or supplied by Pocket Deli Franchisees at the date of Franchisee's termination or separation from Franchisor, which are the same as or similar to those provided by Pocket Deli~~™~~® Businesses or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or Pocket Deli's other Franchisees; provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by Franchisee under a franchise agreement with Franchisor, (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest, (c) any business operated by Franchisee or its Affiliate(s) that has been disclosed, in writing, to Franchisor and Franchisor has acknowledged in writing, prior to the Effective Date of this Agreement, or (d) any business such as a marketing or scheduling company whose primary business is not affiliated with the ~~quick service restaurant~~sandwiches using daily, baked from scratch bread, chopped vegetables, meats and cheeses stuffed on demand for the freshest pockets and deli fare available anywhere industry;

"Confidential Information" means technical and non-technical information used in or related to Pocket Deli~~™~~® Businesses and not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified as confidential when delivered by Franchisor. Confidential Information shall not include, however, any information established by documentary evidence that: (a) is now or subsequently becomes generally available to the public through no fault of Franchisee; (b) Franchisee can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

"Cooperative Advertising" means the combined advertising program that more than one (1) Franchisee established within a common market for Pocket Deli~~™~~® Businesses within a particular region;

"Covered Person" means (i) the individual executing this Agreement as Franchisee; (ii) each officer, director, shareholder, member, manager, trustee, or general partner and Internal Manager of Franchisee and each Franchisee Affiliate if Franchisee is a Business entity; and (iii) the spouse, adult children, parents, collaterals, or siblings of the individuals included in (i) and (ii). A collateral relative is any blood relative who is not your direct ancestor. Franchisee ancestors are the individuals included in (i) and (ii)'s parents, grandparents, great-grandparents, etc., and their collateral relatives are cousins, nieces, nephews, aunts, uncles, siblings, etc. Covered Person shall mean an individual who falls within the identified categories where on the Effective Date or later during the Term of this Agreement, and all successive Renewal Agreements;

"Customer(s)" means any person or entity that purchases or receives good or services from Franchisee, as applicable;

"Internal Manager" means the person designated in writing by Franchisee and approved in writing by Franchisor who has primary responsibility for managing the day-to-day affairs of the Franchised Business, also known as "Designated Director", and if Franchisee is an individual and not a business entity, the **Internal Manager** shall be the Franchisee;

"Effective Date" means the date set forth in the introductory paragraph of this Agreement which commences this Agreement's effectiveness and term;

"Electronic Depository Transfer Account" means an account established at a national banking institution approved by Franchisor and providing Franchisor with access to electronically withdraw any funds due Franchisor;

"Former Franchisee" means any Pocket Deli Franchisee(s) that have been terminated or whose Franchise Agreements have expired naturally under the terms of those Franchise Agreements~~;~~.

"Franchise" means the right granted to Franchisee by Franchisor to use the System and the Marks, while not in Default;

"Franchised Business" means the Pocket Deli~~TM~~® Business to be established and operated by Franchisee pursuant to this Agreement;

"Franchisee" means the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement;

"Franchisor" means Pocket Deli Franchising, LLC;

"Franchisor Indemnitees" means Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor and/or any corporate parent, any corporate subsidiaries, affiliates, successors, assigns, and designees of either entity and their respective directors, officers, employees, agents, shareholders, designees, and representatives of each, members, partners, owners, employees, agents, successors and assigns as further discussed in Section 21.3;

"Good Cause" means the failure of Franchisee to substantially comply with the lawful requirements imposed upon Franchisee by this Franchise Agreement~~;~~ .

~~**"Grand Opening Advertising"** means the Grand Opening Celebration cost of Seven Thousand And Five Hundred Dollars ($7,500.00) to Fifteen Thousand Dollars ($15,000.00) for Franchisees location and the meaning given to such term in Section 8.2;~~

"Gross Sales" means the aggregate of all income and monthly fees Franchisee receives from Customers, or any other person or business entity for the Franchised Business in connection with the Franchised Business (whether or not in accordance with the terms of the Franchise Agreement) for the purchase or provision of any goods or services, including gift cards, or industry fees, and whether for check, cash, credit or otherwise, from the sale of products and services (including service charges in lieu of gratuity) regardless of the dollar amount Franchisee sells each product or service for, including, without limitation, all proceeds from any business interruption insurance, but excluding (a) all insurance payments, check, cash, credit or debit card refunds made in good faith provided, prior to granting the refunds, the revenue related to the refunds was included in Gross Sales, (b) any sales and equivalent taxes that Franchisee collects for or on behalf of and pays to any governmental taxing authority, and (c) any rebate Franchisee receives from a manufacturer or supplier;

"Gross Sales Reports" has the meaning given to such term in Section 12.2;

~~**"Exclusive Territory"** has the meaning given to such term in Section 2.5, as well as Exhibit 11;~~

"Incapacity" means the inability of Franchisee to operate or oversee the operation of the Franchised Business on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

~~**"Initial Fee"** means, unless otherwise stated in the State Addendum attached, paying Franchisor an Initial Fee that totals Thirty-Five Thousand Dollars ($35,000.00) to secure Franchisees chosen Territory. Additional terms are contained in Section 3.1;~~

~~**"Initial Term"**, shall be ten years (10) years as more fully defined in Section 4.1;~~

~~**"Intranet Fee"** means the initial set-up of Ninety-Nine Dollars ($99.00) to set-up and maintain the intranet further discussed in Section 3.6;~~

"Internet" means any one (1) or more local or global interactive communications media that is now available, or that may become available, including, but not limited to, sites and domain names on the World Wide Web (1) and (2);

~~**"Internal Manager"** means the person designated in writing by Franchisee and approved in writing by Franchisor who has primary responsibility for managing the day-to-day affairs of the Franchised Business, also known as "Designated Director", and if Franchisee is an individual and not a business entity, the **Internal Manager** shall be the Franchisee;~~

"Initial Fees" meaning, the Fifteen Thousand Dollars ($15,000.00) Preliminary Agreement and the Twenty Thousand Dollars ($20,000.00) Establishment Agreement paid or upon execution of the applicable Agreements, unless Franchisee is executing the Promissory Note, attached as an Exhibit to the respective Preliminary or Establishment Agreement. Additional terms are contained in Section 3.1;

"Initial Term", shall be ten years (10) years as more fully defined in Section 4.1;

"Intranet Fee" means the initial set-up of Ninety-Nine Dollars ($99.00) and to set-up and maintain the intranet, online platform, and payment processing systems, further discussed in Section 3.6.

"Late Fee" means $150.00 as a late fee per incident plus 8% interest; plus legal late and bank fees, if applicable[2]

"Local Advertising Spend" means spending a minimum of Two Thousand Dollars ($2,000.00) per month,

"Local Advertising" means the services required to fulfill Franchisee's local marketing requirements through Franchisee's own effort or by contracting with an Approved Supplier, if any. Marketing methods utilized may include but not be limited to those contained within the Manual, and approved advertising materials such as Newspaper ads, Direct Mail, Coupon Direct Mail Coops, Print Media and Business to Business marketing efforts within Franchisees Exclusive Territory~~.~~, and non-monetary sponsorships within the community or gifts to select Guests in the community, such as military, police, fireman, or other service people. Requirements for Local Advertising are further discussed in Section 11.1;

"Key Accounts" means any (a) potential or existing commercial customer that has multiple sites, offices, or retail premises, at least one of which is located outside Your Territory, (b) any retail, manufacturing or wholesale company, contractor, or similar business whose clientele or employees includes potential customers for regular services or products or team building exercises, and (c) operators of web sites (or similar referral sources) that offer to refer customers to Us and Our Franchisees for a fee.

"Manual" means the Pocket Deli Operations Manual(s), whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and Internal Managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor;

"Marketing Fund", shall have the same meaning as National Marketing Fund;

"Marketing Fund Contributions", shall have the same meaning as National Marketing Fund Contributions;

"Marks" means the trademark ~~"~~"Pocket Deli" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings, patents and other commercial symbols as Franchisor may designate to be used in connection with Pocket Deli~~™~~® Businesses, whether or not registered or recognized by the U.S. Patent and Trademark Office, or any other Agency no matter where located. Registered Marks are shown on Exhibit 6 attached hereto;

"Minimum Sales Volume" means Franchisee's minimum annual Gross Sales, pursuant to the terms in Section 2.7;

"Money Flow" is utilized to describe how the Franchisee gets paid and pays its fees under this Agreement;

"Non-Traditional Location" describes a location which is not a traditional Pocket Deli~~™~~® location. Such locations include but are not limited to sporting venues and convention halls; state and national parks; airports, train depots and other transit centers; hotels; cruise ships; college and university campuses; state and federal military installations; underwater structures; and any building or structure not permanently affixed to the ground~~;~~.

"Opening Advertising" has the meaning given to such term in Section 11.1;

~~**"Preliminary Agreement Fee"**~~

"Grand Opening Advertising" means the ~~initial payment of~~ Grand Opening Celebration cost of Seven Thousand And Five Hundred Dollars ($7,500.00) To Fifteen Thousand Dollars ($15,000.00) ~~paid to the~~ for Franchisees location and the meaning given to such term in Section 8.2;

"Prospective Supplier Evaluation Fee" means the payment of a $150.00 fee, if Franchisee wishes to have Franchisor ~~for access to the information provided in~~ test out a new supplier there will be a. The new supplier will go through a 90 day approval timeframe **"Exclusive Territory"** has the ~~Preliminary Agreement~~meaning given to such term in Section 2.5, as well as Exhibit 11;

"Royalty Fee" means ~~Franchisee will begin~~ paying ~~the First Level at~~Franchisor Six ~~percent~~Percent (6%) ~~of Gross Sales as the Royalty Fee; Franchisee will begin paying the Second Level once~~ to begin with. Once You achieve and maintain Seven Hundred and Fifty Thousand Dollars ~~is achieved and maintained in Gross Sales, which~~($750,000.00), You will ~~reduce the Royalty Fee to~~ pay Five and a Half percent (5.5~~%); Franchisee will begin paying the Third Level once~~%) of Gross Sales as the Royalty Fee Weekly. Once You achieve and maintain One Million Dollars ($1,000,000.00~~) and beyond, which will reduce~~), You will pay Five percent (5%) of Gross Sales as the Royalty Fee weekly, by ACH from the Electronic Depository Transfer Account every Tuesday, for the previous week ending the previous reporting period, pursuant to the ~~Royalty to Five percent (5%);~~terms in Section 3.2, for the limited right to use the Franchisor's Tradename;

"Social Media" means online content created by individuals and/or entities using highly accessible and scalable publishing technologies through their desktop computer, laptop computer, smart phones, mobile phone or by other means available in the future. Social Media allows individuals and/or entities to connect in the online world to form relationships for personal and business use. The definition of Social Media includes user-generated content and consumer-generated media. Social Media occurs in many different forms, including, but not limited to, Internet forums, weblogs, social blogs, wikis, podcasts, pictures and videos. Technologies for Social Media include, but are not limited to: blogs, picture-sharing, vlogs, wall-postings, e-mail, instant messaging, music-sharing, crowdsourcing, and voice over IP, to name a few. Some examples of Social Media sites and/or applications are Google Groups (reference, social networking), Wikipedia (reference), MySpace (social networking), Facebook (social networking), MouthShut.com and yelp.com (product reviews), Youmeo (social network aggregation), YouTube (social networking and video sharing), Avatars United (social networking), Second Life (virtual reality), Flickr (photo sharing), Twitter (social networking and microblogging), LinkedIn (business social media),Open Diary (blogging) and other microblogs such as Twitter and Jaiku, among others. This list is not inclusive and shall mean all Social Media available now and created in the future;

~~"~~**System"** means the trade dress, uniform standards, methods, procedures and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor for the operation of Pocket Deli~~TM~~® Businesses. The Pocket Deli~~TM~~® System is for the operation of a unique business dealing in sandwiches using daily, baked from scratch bread, chopped vegetables, meats and cheeses stuffed on demand for the freshest pockets and deli ~~far..~~fare available anywhere. The Pocket Deli system includes among other things, confidential operating procedures, a management program, and accounting procedures;

~~"~~**"Termination Date~~"~~"** also known as Date of Termination, means the date when the Franchisee no longer has time to cure any Defaults under this Agreement, pursuant to Article 16;

~~**"Transfer Fee"** means paying the Franchisor Fifteen Thousand Dollars ($15,000.00) for transferring Franchisees Franchised Business to another individual or entity. Further described in Section 18.2;~~

"Trade Secrets" means information in any form (including, but not limited to, technical or non-technical data, know-how, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in Pocket Deli~~TM~~® Businesses that is not commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy;

"Traditional Location" describes a location that meets the criteria of an approved Pocket Deli~~TM~~® business, further described in the Manual.

"Transfer Fee" means paying the Franchisor Fifteen Thousand Dollars ($15,000.00) for transferring Franchisees Franchised Business to another individual or entity. Further described in Section 18.2;

"Transfer Training Fee" means the fee due of $10,000.00, which will be due upon signing of the New Franchise Agreement with Transferee. Additional trainees can attend training at a rate of $1,500 each. All travel, room and board will be at Transferee's expense.

"Transferee" means the individual or entity third party buyer, who purchases this Franchise Agreement if the Franchisee chooses to sell.

"Preliminary Agreement Fee" means the initial payment of Fifteen Thousand Dollars ($15,000.00) paid to the Franchisor for access to the information provided in the Preliminary Agreement.

ARTICLE 2 - GRANT OF EXCLUSIVE FRANCHISE

Section 2.1 Grant of Franchise

Franchisor hereby grants to Franchisee, and Franchisee undertakes and accepts, upon the terms and conditions herein contained, a revocable, limited license to operate one Pocket Deli™® Business using the System and Marks.

Section 2.2 Location of Your Pocket Deli Franchise

Subject to all of the terms and conditions herein, Franchisor grants to Franchisee the non-exclusive right and license to operate a Franchise Business using the System and the Marks solely within the Territory described in Section 2.5 (the "Location"), which Location must be pre-approved by Franchisor according to its then-current criteria, and Franchisee hereby accepts such right and license subject to such terms and conditions and undertakes to operate the Franchise Business and to use the System and Marks solely in connection therewith. The rights and license herein granted are sometimes referred to in this Agreement as the "Franchise" or the "Franchise Business."

Section 2.3 Approved Location Not Determined

Prior to signing this Franchise Agreement Franchisee will have executed the Preliminary Agreement. Site selection is determined after the signing of the Preliminary Agreement and Franchisee will sign its lease concurrently with this Franchise Agreement. However, If the Approved Location of the Franchised Business is not determined as of the Effective Date, then Franchisee shall have up to Fourteen (14) Days (14) days to propose a location to Franchisor for approval. If Franchisor does not deny Franchisee's proposed location within fourteen (14) days (14) business days, the location shall be deemed approved. If You receive a denial from Us, You must submit a new location until approved. When the Approved Location is determined, its description shall be inserted into Section 2.5. Subject to other provisions of the Agreement, the failure to insert such description shall not automatically affect the enforceability of this Agreement.

Section 2.4 Sub-franchising/ Agents

iv. Be acquired (regardless of the form of transaction) by any business, even if the other business operates, franchises and/or licenses Competitive Businesses within the Exclusive Territory;

v. Sell any products authorized for Pocket Deli~~™~~® Businesses using the Marks or other trademarks and commercial symbols through alternate channels of distribution, such as joint marketing with partner companies, Internet sales and catalog sales; provided, however, that no such sales shall be made to any Competitive Business within the Exclusive Territory;

vi. Establish, own, or operate, and license other to establish, own and operate, or continue to own or operate, Pocket Deli~~™~~® Business in Non-Traditional locations whether inside or outside the Franchisee's protected Territory; and

vii. Engage in any activities not expressly forbidden by this Agreement.

Section 2.7 Diligence and Best Efforts

Franchisee shall diligently and fully exploit the rights in this Agreement by personally devoting best efforts, and in the case more than one individual has executed this Agreement as Franchisee, the individual so designated in this Agreement shall personally devote his or her best efforts towards the operation of the Franchised Business, or provide for full time management, trained and approved by the Franchisor, to manage the Franchised Business. The continued right of Franchisee's Exclusive Territory does depend on Franchisee's minimum Gross Sales. Franchisee must meet or exceed Three Hundred and Eighty Thousand Dollars ($380,000.00) for the first year, ($360,000) in Gross Sales during the first within the first year in business~~, then the second year will require a 20% growth~~. .

Section 2.8 Key Accounts

Franchisee shall have the option to participate in Key Accounts that contemplate performance in Franchisee Territory of ~~their actual year~~sales or parties, or other services or products. Key Accounts means any (a) potential or existing commercial customer that has multiple sites, offices, or retail premises, at least one ~~earnings, while the third year will require a 10% growth~~ of ~~their actual year two earnings~~which is located outside Your Territory, (b) any retail, manufacturing or wholesale company, contractor, or similar business whose clientele or employees includes potential customers for regular services or products or team building exercises, and ~~the fourth year~~(c) operators of web sites (or similar referral sources) that offer to refer customers to Us and ~~beyond, Franchisee must maintain, at minimum, the same growth from the third year..~~Our Franchisees for a fee.

ARTICLE 3 - FEES

All fixed dollar amounts used in the Franchise Agreement and any Addenda may, in our sole discretion, be adjusted as of January 1st of each year in proportion to the changes in the Consumer Price Index (U.S Average, all items) maintained by U.S Department of Labor (or such equivalent index as may be adopted in the future) between January 1, 2017 and January of the then-current year (the "Index"). Each adjustment will be made effective as of January 1st based on the January Index, but the 1st adjustment will not be made until the 2nd January following the Agreement Date (i.e., for an Agreement Date of July 1, 2017, the 1st adjustment would be effective as of January 1, 2019). Our failure to adjust any fixed dollar amounts due to changes in the Index at any time does not constitute a waiver of our right to make future adjustments. However, we will not impose such adjustments retroactively.

Section 3.1 Initial ~~Fee~~Fees

Franchisee must ~~pay~~have previously paid Franchisor ~~an Initial~~the Preliminary Agreement Fee and the Establishment Agreement Fee, as set forth in Article 1, to secure Franchisees chosen Territory, which includes the Training and use of the Confidential Information to ~~purchase~~be eligible to be granted a Single Unit Franchise. The Initial Franchise Fee under this Agreement is Zero Dollars ($0.00).

Franchisee will pay the Initial Fee, which is due with the Preliminary Agreement or upon signing this Franchise Agreement, unless modified by a State Addendum attached at Exhibit 5 to this Franchise Agreement.

~~A Ten Thousand Dollar ($10,000.00) discount will be applied to the Initial Fee for existing Franchisees who wish to enter into an Area Development Agreement as well as Internal Managers in a Franchised Business who wish to open their own location(s). An additional Twenty percent (20%) discount to the Initial Fee will be applied for U.S. military who would be eligible for VetFran membership.~~

Section 3.2 Weekly Royalty Fees

~~On~~ For the limited right to use Franchisor's tradename and/or items listed on Exhibit 6 attached hereto, Franchisee shall, on the Tuesday of each Week, for so long as this Agreement shall be in effect, Franchisee shall pay to Franchisor through deductions from Gross Sales without offset, credit or deduction of any nature, Weekly Royalty Fees for the previous Week ending the ~~Sunday~~Monday of the preceding Week. Each Week Royalty Fee shall be based on the Gross Sales Report, as required by Section 12.3, for the same period. Franchisor reserves the right to increase the Royalty Fee up to a maximum of an additional One Percent (1%) per Week during the Term of this Agreement. No increase shall be more than one-half of one percent (0.5%) per year. Franchisee shall have thirty (30) days advance notice prior to the increased Royalty Fee taking effect. Franchisor currently requires Franchisee to pay Royalty Fees through ACH transfer from Electronic Depository Transfer Account, as set forth in Section 3.5, however, if Franchisee uses an Approved Vendor for billing and collection, Franchisor may collect Royalty Fees directly from the Approved Vendor.

Also on Tuesday of each Week~~, or the first Tuesday of each month~~, for so long as this Agreement shall be in effect, Franchisee shall pay to Franchisor through ACH transfer from Electronic Depository Transfer Account all other fees owed to the Franchisor.

Section 3.3 National Marketing Fund Contribution

Franchisee shall be required to contribute their National Marketing Fund Contribution Weekly to the National Marketing Fund on Tuesday of each Week for so long as this Agreement shall be in effect. Each Week National Marketing Fund Contribution shall be based on the Gross Sales Report, as required by Section 12.2. The National Marketing Fund shall be maintained and administered by Franchisor or its designee in accordance with the provisions contained in Section 11.3.

Section 3.4 Taxes

Franchisee shall pay to Franchisor an amount equal to all sales taxes, use taxes and similar taxes imposed on the fees payable by Franchisee to Franchisor herein and on services or goods furnished to

Franchisee shall pay an Intranet Fee~~ to set up and maintain the Intranet. Franchisor charges an initial setup fee of Ninety-Nine Dollars ($99.00) to ensure Franchisee is set up and able to access the Pocket Deli Intranet system.~~

~~Franchisee shall also pay a monthly Software Fee.~~. On the ~~first~~ Tuesday of each ~~month~~Week, for so long as this Agreement shall be in effect, Franchisee shall pay to Franchisor ~~Eight Hundred Dollars ($800.00)~~ through deductions from Gross Sales without offset, credit or deduction of any nature, the Weekly ~~Software Fee~~Intranet fees for the previous ~~month.~~Week ending the Monday of the preceding Week. Franchisor charges an initial setup fee of $99.00 to ensure Franchisee is set up and able to access the Pocket Deli Intranet system.

In addition, Franchisor requires Franchisee to purchase through an approved supplier the approved point of sale system ("POS"). Franchisee will be responsible for any ongoing upgrades or updates to the POS, ongoing maintenance packages, and computer and software packages after installation.

Franchisee shall: (1) use proprietary software programs, as may be developed and prescribed by Franchisor, including system documentation manuals and other proprietary materials now and hereafter developed by Franchisor, in connection with the operation of the Business; (2) execute Franchisor's standard software license agreement, if necessary; (3) input and maintain in Franchisee's computer such data and information as Franchisor prescribes in the Manuals, software programs, documentation or otherwise; and (4) purchase new, different or upgraded software programs, system documentation manuals and other proprietary materials at then-current prices (except as provided in this Section), whenever Franchisor adopts such new, different or upgraded programs, manuals and materials system-wide; provided that, with respect to any required purchase of new, different or upgraded software programs (i) Franchisee shall be required to purchase any such program only after it has been tested and implemented in Franchisor-owned Businesses, if any such Businesses then exist, and (ii) Franchisee shall be notified of the required purchase no less than thirty (30) days before Franchisee is required to implement the program.

Franchisor has the right to independently access all information collected or compiled by or in accordance with Franchisee's use of any of the software packages at any time without first notifying Franchisee. Franchisee must update or upgrade any and all hardware and software as Franchisor deems necessary.

Franchisor requires that Franchisee have a business telephone, telephone line, facsimile and phone service. Franchisee shall pay third party providers for phone service and systems.

Section 3.7 Late Fees and Insufficient Funds Fee

Although each failure to pay monies when due is an Event of Default, to encourage prompt payment and to cover the costs involved in processing late payments or where Franchisee's bank account has insufficient funds, if any payment under this Agreement or any other agreement between Franchisor or its Affiliates and Franchisee for the Franchised Business is overdue for any reason or if Franchisee's bank account has insufficient funds ~~fee of One Hundred Dollars ($100.00)~~ to cover any payment due, Franchisee must pay to Franchisor, in addition to the original amount due, a late fee of One Hundred and Fifty Dollars ($150.00) plus Eight Percent (8%) compounded daily($150.00) plus Eight percent(8%) interest compounded ~~daily~~per day until the amount due is paid in full. If any fee owed by Franchisee is overdue by more than ~~Ten (10~~Seven (7) calendar days after notice has been sent by Franchisor, Franchisor may immediately terminate this Agreement.

Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Royalty Fees, National Marketing Funds or any other amounts due Franchisor, including reasonable accounting and collection fees. This Section shall not constitute an agreement by Franchisor to accept any payments after the due date or a commitment by Franchisor to extend credit to or otherwise finance Franchisee.

Section 3.8 Application of Payments

No payment by Franchisee or acceptance by Franchisor of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Any endorsement, statement or communication by Franchisee to the effect that Franchisee's payment of a lesser amount than due constitutes full payment shall be given no effect and Franchisor may accept the partial payment without prejudice to any rights or remedies it may have against Franchisee. Franchisor's acceptance of payments by Franchisee other than as set forth in this Agreement shall not constitute a waiver of Franchisor's right to demand payment in accordance with the requirements of this Agreement. Notwithstanding any designation by Franchisee, Franchisor shall have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, National Marketing Funds, purchases from Franchisor or its Affiliates, or any other amount owed to Franchisor in any proportion or priority. Franchisor's acceptance of payment from any entity other than the named Franchisee shall be deemed to be payment by the named Franchisee and shall not be deemed to be recognition or substitution of the paying entity for the named Franchisee.

Section 3.9 No Withholding

Franchisee agrees that under no circumstances will Franchisee withhold or suspend payment of, or reduce the amount of the Royalty Fee, National Marketing Funds or purchases payable under this Agreement. Notwithstanding the foregoing, if You dispute in good faith the amount of an individual payment due under this Agreement, You may pay only the amount You believe is due, provided that You give Us prompt notice of the reasons You dispute the amount of the payment and proceed to make good faith efforts to resolve the dispute.

ARTICLE 4 - TERM OF AGREEMENT AND RENEWAL

Section 4.1 Initial Term

This Agreement shall take effect as of the date of the execution hereof (the "Effective Date"), and the initial term ("Initial Term") hereof shall extend until the earlier of (1) the date that is precisely ten (10) years from the Effective Date, or (2) the date on which this Agreement terminates pursuant to Section 16 hereof, or (3) the expiration of Franchisee's lease at the Location.

Section 4.2 Renewal

Subject to the conditions below, Franchisee has the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new then-current Franchise Agreement with Franchisor and paying the Renewal fee equal to ~~Twenty Percent (20%) of the then-current Franchise Fee.~~Seven Thousand ($7,000.00). Franchisee's right to a successor franchise is limited to one (1) successive term of 10 years ("Renewal Term"). To qualify for a successor franchise, each of the following conditions must have been fulfilled and remain true as of the last day of the term of this Agreement:

i. Franchisee shall give Franchisor written notice of such election to renew not less than Two Hundred and Ten (210) days prior to the end of the Initial Term;

ii. Franchisee shall schedule to attend a refresher training and certification course with Franchisor at Franchisor's next available training;

iii. At least twelve (12) months prior to the expiration of the Initial Term, Franchisor shall have the right to inspect the Location and give notice of all required maintenance, refurbishing, renovating, and remodeling and Franchisee shall agree to complete at its expense and to Franchisor's satisfaction, all maintenance, refurbishing, renovating, and remodeling required by Franchisor's notice no later than thirty (30) days after expiration of the Initial Term;

iv. Franchisee shall not be in material default of any provision of this Agreement, or any amendment hereof, or any Agreement Franchisee has with Franchisor, and shall at all times have substantially complied with all the terms and conditions of this Agreement during the term hereof or fully cured all Noticed Default(s);

v. Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its subsidiaries and affiliates and shall have timely met such obligations throughout the Initial Term;

vi. Not less than ~~Ninety~~Two Hundred and Ten Days (~~90~~210) days prior to the expiration of the Initial Term, Franchisee shall execute the then-current form of Franchise Agreement being used by Franchisor, which may have terms that are materially different than the terms of this Franchise Agreement;

vii. Franchisee shall comply with Franchisor's then-current criteria for operation of a Franchise Business;

viii. Franchisee shall submit themselves and any Internal Manager(s) to drug tests and background checks, and submit the results to Franchisor for recordkeeping prior to the natural end of the Initial Term;

ix. Both parties shall execute a General Release of all claims, in a form like Exhibit 1 attached hereto, against each other which accrued or may have accrued during the Term , whether or not such claim had yet been discovered by the parties;

x. Franchisee shall present evidence satisfactory to Franchisor that it has the right to remain in possession of the Location, has valid Licenses, or certifications as applicable, passed new Background Checks, as required, or another suitable location or licensure needs approved by Franchisor according to its then-current criteria for the duration of the Option Term; and

xi. Franchisee shall submit written documentation establishing that all certifications required during the Initial Term are in good standing and shall remain in good standing for the duration of the Option Term.

The Initial Term and any Option Term collectively may be referred to herein as the "Term" of this Agreement.

ARTICLE 5 - APPROVED LOCATION

of 256 kbps and obtain at least two (2) telephone numbers and one (1) facsimile number solely dedicated to the Franchised Business.

If Franchisee is unable to commence the operation of the Franchised Business due to circumstances beyond Franchisee's reasonable control, then Franchisee may be entitled to such additional time as may be reasonably required and as to which Franchisor may consent, provided such request for extension is provided to Franchisor in writing at least Ninety (90) days after the Effective Date.

Section 5.5 Failure to Develop Approved Location

Should Franchisee fail to develop the Approved Location for the Franchised Business within ~~One~~Two Hundred~~ and Twenty (120~~, Forty (240) days after the Effective Date, subject to Section 5.4 above, Franchisor has the right to terminate this Agreement with no refund to Franchisee of any amounts.

Section 5.6 Opening

Before opening the Franchised Business and commencing business, Franchisee must:

i. fulfill all of its obligations pursuant to the other provisions of this Section 5.6;

ii. furnish Franchisor with copies of all insurance policies required by this Agreement and by the lease (if the Approved Location is leased), or such other evidence of insurance coverage and payment of premiums as Franchisor may request;

iii. complete initial training to the satisfaction of Franchisor;

iv. hire and train the personnel necessary or required for the operation of the Franchised Business;

v. obtain all necessary permits and licenses;

vi. purchase all Opening Project inventory not purchased pursuant to Section 5.4, as stated in Section 8.2;

vii. if Franchisee is a business entity, Franchisee has caused each of its stock certificates or other ownership interest certificates to be conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement, and has provided a copy of all ownership certificates to Franchisor; and

viii. pay in full all amounts due to Franchisor or execute the Promissory Note if applicable for any amounts due Franchisor.

Franchisee shall comply with these conditions and be prepared to continuously operate the Franchised Business within 90 - 140 days, for a leased location, or 90 - 120 days, for a build-out location, or have the Soft Opening within one hundred and forty (140) days, if a leased location, or two hundred and forty (240) days, if building a location, after the Effective Date. Franchisee shall have the Grand Opening approximately two (2) days later. Time is of the essence.

Section 5.7 Use of Approved Location

Franchisee shall not use the Approved Location for any purpose other than for the operation of a Pocket Deli™® Business in full compliance with this Agreement and the Manual.

Franchisor may use Franchisee location as a training facility upon notice. If Franchisor elects to use the Franchised Business for training, Franchisor shall provide to Franchisee, in lieu of payment, which shall be considered payment in full, for use of the facilities: 1) the ability for Franchisee to enroll Franchisee's employees or contractors into the training class being taught by Franchisor at Franchisee's location. There is no limit on the number of times during this Agreement that Franchisor may use the Franchised Business.

Section 5.8 Relocation

Franchisee shall not relocate the Franchised Business without the prior written consent of Franchisor. If the lease for the Approved Location expires or terminates through no fault of Franchisee or if the Franchised Business's premises is destroyed, condemned or otherwise rendered unusable or as otherwise may be agreed upon in writing by Franchisor and Franchisee, Franchisor may allow Franchisee to relocate the Franchised Business. Any such relocation shall be at Franchisee's sole expense and shall proceed in accordance with the requirements set forth in Sections 5.1 through 5.6 with the timeframes set forth therein, modified in the sole discretion of the Franchisor, to reflect the new circumstances. Franchisor has the right to charge Franchisee for any costs incurred by Franchisor in providing assistance to Franchisee, including, but not limited to, legal and accounting fees. Notwithstanding the foregoing, Franchisor has no obligation to provide relocation assistance. If no relocation site meets with Franchisor's approval, this Agreement shall terminate as provided in Section 16.4.

ARTICLE 6 - PROPRIETARY MARKS

Section 6.1 Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor including those set forth in the Manual. Franchisee's continued right to use proprietary Marks is contingent upon Franchisee's payment of Royalties when due. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks and shall render this Agreement Terminated immediately. Franchisee's use of the Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor. Franchisee shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

Section 6.2 Limitations on Use

Franchisee must use the Marks as the sole trade identification of the Franchised Business, and in accordance with Exhibit 6, attached hereto. Franchisee shall not use any Mark or portion of any Mark as part of any business entity name. Franchisee shall obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Franchised Business, for example, Jane Doe d/b/a Pocket Deli of [Your Location]. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor.

If Franchisor deems it necessary for Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within thirty (30) days after notice to Franchisee by Franchisor and subject to the limitations in Section 13.2. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified, additional or substitute Mark.

Section 6.6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed herein, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised Business, Franchisor and its designees have the right to enter and inspect the Franchised Business and the Approved Location at all reasonable times and, additionally, have the right to observe the manner in which Franchisee renders services and conducts activities and operations, and to inspect facilities, equipment, accessories, products, supplies, reports, forms and documents and related data to ensure that Franchisee is operating the Franchised Business in accordance with the quality control provisions and performance standards established by Franchisor. Franchisor and its agents shall have the right, at any reasonable time, to remove sufficient quantities of products, supplies or other inventory items offered for retail sale, or used in rendering services, to test whether such products or items meet Franchisor's then-current standards. Franchisor or its designee has the right to observe Franchisee and its employees during the operation of the Franchised Business, to interview and survey clients and employees by any means it chooses, including in person, by secret shoppers, mail, telephone, video conference, the Internet, Social Media or e-mail, and to photograph or video tape or by using web cameras to monitor the premises.

Section 6.7 Franchisor's Sole Right to Domain Name

Franchisee shall not advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Mark or the words "Pocket Deli" or any variation thereof without Franchisor's prior written approval. ~~An Affiliate,~~ Alcarico Holdings, LLC, ~~AHL~~the Franchise IP Owner Company, is the sole owner of all right, title and interest in and to such domain names as Franchisor shall designate in the Manual including, but not limited to, www.pocketdeli.com, which Alcarico Holdings, LLC~~, AHL~~, has licensed to Franchisor the right to utilize the foregoing domain name(s).

ARTICLE 7 - TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

Section 7.1 Confidentiality of Trade Secrets and Other Confidential Information

Franchisee acknowledges Franchisor owns copyrights in the Manual, Franchisor's website (but not the domain names referred to above), and other copyrightable items that are part of the System. Franchisee acknowledges that while Franchisor claims copyrights in these and similar items, Franchisor has not registered, and is not required to register these copyrights with the United States Registrar of Copyrights. Franchisor shall disclose Trade Secrets and other Confidential Information to Franchisee during the training program, through the Manual, and as a result of guidance furnished to Franchisee during the term of this Agreement. Franchisee shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of the Franchised Business and in performing its duties during the term of this Agreement. Franchisee acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges the Trade Secrets and other Confidential Information are directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, Limited Liability Company or other business entity, shall:

i. divert or attempt to divert any customer, employee or other business associate of the Franchised Business, Franchisor, its Affiliate(s) or any other Franchisee to any Competitive Business or solicit or otherwise attempt to induce or influence any customer, employee or other business associate of any of the foregoing to terminate or modify his, her or its business relationship with the Franchised Business, Franchisor, its Affiliate(s) or any other Franchisee, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

ii. own an interest in, manage, operate, or perform services for any Competitive Business wherever located.

Section 7.4 Non-Disclosure and Non-Competition Agreements with Certain Individuals

Franchisor has the right to require Franchisee and any Covered Person to execute a Non-Disclosure and Non-Competition Agreement, in a form the same as or similar to the Non-Disclosure and Non-Competition Agreement attached as Exhibit 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee. Franchisee shall use the Manager specific Non-Disclosure Non-Compete Agreement contained in the Manual for all their employed or independently contracted Managers, or one substantially similar in terms and compliant with the Franchisee's state law. Upon Franchisor's request, Franchisee shall provide Franchisor with copies of all non-disclosure and non-competition agreements signed pursuant to this Section. Such agreements shall remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third-party beneficiary with the right to enforce such agreements.

Section 7.5 Reasonableness of Restrictions

Franchisee acknowledges the restrictive covenants contained in this Section are essential elements of this Agreement and without their inclusion; Franchisor would not have entered into this Agreement. Franchisee acknowledges each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, other Franchisees, the System and the Marks and Franchisee waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

ARTICLE 8 - TRAINING AND ASSISTANCE

Section 8.1 Initial Training

Franchisor shall make an initial training program available to the Franchisee and its Internal Manager upon submission of the "Pre-training Request Form." After Franchisee submits a completed Pre-Training Request form and a ~~Must be completed Forty (40) days after signing the Lease and includes a drug test, Child Protective Services check, DOJ report, etc.,~~ Establishment Training Certificate, Franchisor will initiate Franchisee's training course.

~~Franchisor~~Franchisee training: Prior to opening the Franchised Business, at a minimum, the Franchisee, and/or the Internal Manager must successfully complete, to Franchisor's satisfaction, the approximate fourteen (14) ~~days~~calendar day(s) of classroom training and on-the-job initial training program. Instruction pertains to all material aspects of the operation of a Pocket Deli ~~TM~~® Business, including such topics as: Pocket Deli mission and principles, establishment of your business structure; legal filings; business licenses; banking and checking accounts; insurance; accounting and legal support; computer system and software installation; set up accounting systems; market research; marketing plan; optional establishment of office lease; employment suggestions; incoming call scripts; office administration; administrative management training; trademark usage guidelines; maintenance of quality standards; customer service techniques; record keeping and reporting procedures; other operational issues; resale, transfer, renewals and assignment training; vendor interaction and ordering, and on-the-job training. Franchisor shall conduct the initial training program either in person at its headquarters or at another designated location or locations, as Franchisor requires.

All expenses incurred by Franchisee and its employees in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, shall be the sole responsibility of Franchisee. Additional trainees will be at the published rates within the Manual(s).

After initial training, You will register for the OnSite Training. The OnSite Training consists of 2 business day(s) of onsite pre-opening and Soft Opening training for You and Your Staff. Immediately prior to the Soft Opening date, Franchisor shall provide Two (2) days of pre-opening training, which shall ensure that all materials, equipment, preparations and staff are prepared for Soft Opening. Upon the completion of the Pre-Opening training, Franchisor and Franchisee shall open the POCKET DELI Business to the invited soft opening individuals. Franchisor shall provide support to Franchisee through the Soft Opening Training program, which consists of two (2) days additional days of hands-on training at the Franchisee's location. All travel, room, board, and expenses for Franchisor trainers ~~is~~are Franchisee's responsibility. (Franchise Agreement 8.1)

After You have successfully completed the Soft Opening time period described in the Manual(s), You will register for the OnSite Grand Opening Training. The OnSite Grand Opening Training consists of one business day(s) of onsite Pre-Grand Opening and Grand Opening training for You and Your Staff. Immediately prior to the Grand Opening date, Franchisor shall provide One Day of pre-opening training, which shall ensure that all materials, equipment, preparations and staff are prepared for Grand Opening. Upon the completion of the Pre-Grand Opening training, Franchisor and Franchisee shall open the POCKET DELI Business to the public. Franchisor shall provide support to Franchisee through the Grand Opening Training program, which consists of two to three (2-3) additional days of hands on training at the Franchisee's location. All travel room, board, and expenses for Franchisor trainers is Franchisee's responsibility. (Franchise Agreement 8.1)

Section 8.2 Opening Project/ Advanced Marketing Training

Franchisee shall provide written and photographic proof, if requested by Franchisor, of all opening marketing and Local Advertising performed. Said proof shall be remitted along with the Monthly Gross Sales Report as stated in Section 3.2.

Franchisor will provide Franchisee with assistance in procuring equipment, signs, fixtures, opening inventory, and supplies. Franchisor will either provide it to Franchisee directly or provide a list of approved suppliers with written specifications in the Manual(s). Franchisor does not install any items.

Section 8.3 Failure to Complete Initial Training Program

If Franchisor determines that the Internal Manager is unable to satisfactorily complete the training program described above, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 8.3, ~~Franchisor shall return to~~ Franchisee ~~all of the Initial Fee minus an administrative fee of Two Thousand, Five Hundred Dollars ($2,500.00) and minus any costs expended by~~

~~Franchisor only upon Franchisor's receipt of~~will execute a General Release, the same as the General Release attached as Exhibit 1; provided, however, that if a General Release is prohibited, Franchisee shall give the maximum release allowed by law. If Franchisee is a business entity and the Internal Manager fails to complete the initial training program to Franchisor's reasonable satisfaction, Franchisee may be permitted to select a substitute Internal Manager (who must be approved in writing by Franchisor) and such substitute Internal Manager must complete the initial training to Franchisor's satisfaction. Franchisee will be required to pay Franchisor's then-current rates for additional training, currently One Thousand ~~and~~And Five Hundred Dollars ($1,500.00) per class for an already scheduled class, as set forth in the Manual.

Section 8.4 New Internal Manager

After beginning operations, should Franchisee name a new Internal Manager, Franchisee must notify Franchisor in writing of the identity of the new Internal Manager and Franchisor must approve in writing the new Internal Manager. The new Internal Manager must attend and complete the next available initial training program to Franchisor's satisfaction. Franchisee shall be responsible for all travel costs, room and board, and employees' salaries incurred in connection with the new Internal Manager's attendance at such training. Franchisor reserves the right to require Franchisee to pay Franchisor's then-current rates for additional training, ~~One Thousand and Five Hundred Dollars ($1,500.00)~~ per class for an already scheduled class, for providing the new Internal Manager an initial training program as set forth in the Manual.

Section 8.5 Ongoing Training and Special Assistance

From time to time, Franchisor may provide, and if it does, has the right to require that the Internal Manager, Franchisee's other managers and/or employees attend ongoing training programs or seminars during the term of this Agreement. The fees for ongoing training are Three Thousand Dollars ($3,000) For Two (2) Weeks Or One Thousand And Five Hundred ~~Dollars ($~~($1,500) For Each Week ($3,000.00) per ~~day plus costs.~~session. Franchisor has the right, but not the obligation, to charge a fee as stated in the manual and updated from time to time for Franchisee to attend an annual convention for the system. Franchisor shall not require the Internal Manager, Franchisee's other managers and/or employees to attend more than ~~four (4)~~ quarterly (4) session(s) in any calendar year and collectively not more than Twenty-Eight (28) days in any calendar year, not including any annual convention that is held by Franchisor. Franchisee shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with the Internal Manager's, Franchisee's other managers' and/or employees' attendance at such training.

Franchisor will provide Franchisee with Ongoing Assistance as Franchisor deems necessary. However, if Franchisee needs Special Assistance, or if Franchisor must deal directly with the Franchisee's client, Franchisee's vendors or others directed by Franchisee, Franchisee will pay the Additional Assistance fee equal to the then-current daily rate as set forth in the Manual, payable by ACH Withdraw, every Tuesday following the support overage, pursuant to Section 3.5.

Section 8.6 Additional Training

From time to time, Franchisor may provide, and if it does, has the right to require that the Internal Manager, Franchisee's other managers and/or employees attend additional training programs. Franchisor shall charge One Thousand ~~and~~And Five Hundred Dollars ($1,500.00) per session for additional training for additional trainees at Franchisors facility.

Section 8.7 Temporary Management

Following the death or incapacity of an owner of the Franchised Business, Franchisor may assume operation of the Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor, up to a maximum of six ~~(6)~~ weeks~~.~~ (6). Franchisor shall charge the temporary management fee, currently Sixty-Five Dollars ($65.00) per hour ($65.00) during the time Franchisor is operating Franchisees Franchised Business and Franchisor shall also be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised Business.

Section 8.8 National or Regional Meetings

Franchisor provides annual training at the National or Regional Convention. ~~Franchisor will not cover the associated costs. Franchisees attendance is mandatory.~~ Franchisee shall pay for all expenses including travel, room and board, as well as the One Thousand, Five Hundred Dollars ($1,500.00) for two attendees by the first ~~Tuesday~~Wednesday in September annually. Additional attendees are recommended and will be billed at ~~One Thousand and Five~~Seven Hundred ~~Dollars ($1,500~~fifty dollars ($750.00) per additional attendee. If Franchisee fails to attend the Annual Convention Franchisee will incur an additional non-attendance penalty of Three Thousand Dollars ($3,000.00) as listed in the Manual(s).

ARTICLE 9 - MANUAL

Section 9.1 Loan by Franchisor

While this Agreement is in effect, Franchisor shall lend to Franchisee one (1) copy/copies of the Manual or grant Franchisee access to an electronic copy of the Manual. Franchisee shall conduct the Franchised Business in strict accordance with the provisions set forth in the Manual. The Manual may consist of One 1 or more separate manuals and other materials as designated by Franchisor and may be in written or electronic form. The Manual shall, at all times, remain the sole property of Franchisor and shall promptly be returned to Franchisor upon expiration or termination of this Agreement. Franchisee will be charged One Thousand Dollars ($1,000.00) for each Replacement copy of the Manual(s).

Section 9.2 Revisions

Franchisor has the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor; provided, however, that no such addition or modification shall materially alter Franchisee's fundamental status and rights under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee shall immediately, upon notice, adopt any such changes and shall ensure that its copy of the Manual is up-to-date at all times. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's headquarters shall be controlling.

Franchisee agrees that, because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor reserves the right, in its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any Franchisee.

Section 9.3 Confidentiality

ARTICLE 11 - ADVERTISING AND PROMOTIONAL ACTIVITIES

Section 11.1 Local Advertising

Franchisee shall continuously promote the Franchised Business through Local Advertising and participate in any local marketing and promotional programs Franchisor establishes from time to time which includes a graphics package for use on Franchisee's vehicles as specified in the Manuals. ("Local Advertising")

During every one (1) month period after the Franchised Business opens, Franchisee must spend at least $2,000 on local advertising in an effort to assist You to maintain the minimum sales requirements.

Franchisee may choose to spend whatever amount You determine best; however, at no time may ~~You~~Franchisee spend less than $2,000.00 towards your local advertising budget~~.~~..

On the first Tuesday of each month or within ten (10) days after the end of each month, whichever occurs first, after the Franchised Business opens, Franchisee will furnish ~~to Us~~ an accurate accounting of the expenditures on Local Advertising for the preceding one~~-~~ month period.

During ~~Franchisee's Grand~~Franchisees Opening, Franchisee must spend, payable to us, at least Seven Thousand And Five Hundred Dollars ($7,500.00) to Fifteen Thousand Dollars ($15,000.00) on Grand Opening, including print or news media or direct mail advertising, dues for business organizations, event dues or other solicitation and promotional efforts. Franchisor will provide Franchisee with guidance for conducting Opening Advertising, and Franchisor will review and approve the materials Franchisee uses in Franchisees Opening Advertising. "Opening" includes 30 days prior to opening Franchisees Franchise Business through 60 days after opening Franchisees Franchised Business to the public.

Franchisee must submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by Franchisee. Franchisor shall use reasonable efforts to provide notice of approval or disapproval within Twenty (20) days from the date of receipt by Franchisor. If Franchisor does not approve of the submitted materials within Twenty (20) days, such materials shall be deemed to have not received the required approval. Franchisee shall not use any marketing or promotional materials prior to receiving written approval by Franchisor. Any advertising materials Franchisee creates will become Franchisor's exclusive property, and Franchisor may use or distribute these materials in any manner Franchisor deems appropriate, without compensation to Franchisee. (Franchise Agreement, Section 11.2 and 12.5).

Section 11.2 National Marketing Fund

Franchisor has established a National Marketing Fund, which Franchisee, and all Franchisor locations, must contribute to as defined in Section 3.3. This Marketing Fund shall be maintained and administered by Franchisor or its designee as follows:

i. The program(s) may be local, regional, or System-wide;

ii. Franchisor shall oversee all marketing programs, with sole control over creative concepts, materials and media used in such programs, and the placement and allocation thereof. Franchisor does not warrant that any particular Franchisee will benefit directly or pro rata from expenditures by the Marketing Fund. The program(s) may be local, regional or System-wide;

iii. Franchisee's Marketing Fund Contributions may be used to meet the costs of, or to reimburse Franchisor for its costs of producing, administering (including the cost of personnel), maintaining, directing and conducting research and advertising. Advertising shall include without limitation: the cost of preparing and conducting television, radio, billboard, Internet, video, video-streaming, digital signage, audio, magazine, newspaper, direct mail advertising campaigns, conventions and other public relations activities; developing and/or hosting an Internet web page or site and similar activities; employing advertising agencies to assist therein; and providing promotional brochures and other marketing materials to Franchisees;

iv. all National Marketing Fund Contributions shall be maintained in a separate account(s) from Franchisor's other monies and shall not be used to defray any of Franchisor's general operating expenses, except up to 10% for such reasonable costs and expenses Franchisor may incur in activities reasonably related to the media creation and administration of the National Marketing Fund, including the cost of personnel;

v. Franchisor shall endeavor to spend all National Marketing Fund Contributions on marketing programs and promotions during Franchisor's fiscal year within which such contributions are made. If excess amounts remain in any National Marketing Fund at the end of such fiscal year, all expenditures in the following fiscal year(s) shall be made first out of such excess amounts, including any interest or other earnings of the National Marketing Fund, and then out of current contributions;

vi. although Franchisor intends the National Marketing Fund, if established, to be of perpetual duration, Franchisor has the right to terminate the National Marketing Fund at any time. The National Marketing Fund shall not be terminated, however, until all National Marketing Fund Contributions and earnings have been expended for advertising and promotional purposes or returned to Franchisee and other Franchisees on a pro rata basis based on total National Marketing Fund Contributions made in the aggregate by each Franchisee;

vii. an accounting of the operation of the National Marketing Fund shall be prepared annually and shall be available to Franchisee upon request; however, it is the intention of the Franchisor to provide an unaudited copy of the National Marketing Fund accounting to all Franchisees at the annual meeting. Franchisor retains the right to have the National Marketing Fund audited, at the expense of the National Marketing Fund, by an independent certified public accountant selected by Franchisor; and

~~viii.~~ Franchisee acknowledges the National Marketing Fund is not a trust and Franchisor assumes no fiduciary duty in administering the National Marketing Fund.

~~ix.~~viii. ~~Any corporate owned Pocket Deli locations will contribute the same amount to the National Marketing Fund as all franchised locations.~~

Section 11.3 Cooperative Advertising

Franchisees have the right, but not the obligation, to create a Cooperative Advertising program for the benefit of Pocket Deli~~™~~® Businesses located within a particular region. If, at the time Franchisee signs the Franchise Agreement, any Cooperative Advertising program is in place that encompasses the geographic areas comprising Franchisee's Territory; Franchisee must join the Cooperative Advertising program and comply with the requirements set forth by the governing body. Franchisor has the right, but not the obligation, to allocate any portion of the National Marketing Fund to a Cooperative Advertising program. The Franchisees have the right to determine the composition of all geographic territories and market areas for the implementation of each Cooperative Advertising program and to require that Franchisor owned units participate in such Cooperative Advertising programs when established within Franchisor unit's region. If a Cooperative Advertising program is implemented in a particular region, Franchisee has the right to establish an advertising council to self-administer the Cooperative Advertising program. Franchisee may participate in the council according to the council's rules and procedures and if Franchisee does participate, Franchisee shall abide by the council's decisions. Franchisor shall require the Cooperative Advertising program to prepare periodic financial statements which are available for Franchisee's and Franchisor's review~~.~~, which will delineate the amount each Franchisee will be required to contribute, which must be based upon a per location division, of a pro-rated portion of Gross Sales for the last three months split between all Franchisees in the program, and specifically not based on a per company / owner division. Franchisor requires the Cooperative Advertising program to operate from written governing or contractual documents that are available for all applicable Franchisee's review. Franchisor does not have the right to require the Cooperative Advertising program to be created, dissolved or merged.

If a Franchisee advertising council is created by the Franchisees, which is their right, or by Franchisor, the Council must advise Pocket Deli how to utilize the National Marketing Funds collected from all Franchisees. The Council must elect or appoint a board or leaders that will be the individuals to communicate at minimum quarterly with the Franchisor. There should be at minimum 1 council member for each of the 5 regions of the United States (North & Central, Northwest, Southwest, Southeast and Northeast regions). If the Advertising Council does not select its members each year, then Franchisor has the right to choose the members based upon characteristics Franchisor feels are best for the franchise system. The advertising council board will have a mandatory meeting with the Franchisor annually. The Cooperative Advertising council shall submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by the Cooperative Advertising council including, but not limited to, ad copy, coupons, flyers, scripts and direct mail. Franchisor shall use reasonable efforts to provide notice of approval or disapproval within Twenty (20) days from the date all requested material is received by Franchisor. If Franchisor does not approve submitted materials within Twenty (20) days, such materials shall be deemed to have not received the required approval. The submission of advertising materials to Franchisor for approval shall not affect the Cooperative Advertising council's right or Franchisees' rights to determine the prices at which Franchisees sell products or provides services.

Section 11.4 Internet Advertising

Franchisee, and any Cooperative Advertising program, may not establish a presence on, or market using, the Internet in connection with the Franchised Business without Franchisor's prior written consent. Franchisor has established and maintains an Internet website at the uniform resource locator, www.pocketdeli.com, which provides information about the System and the services Franchisor, its Affiliates and its Franchisees provide. Franchisor will include at the Pocket Deli website an interior page containing information about the Franchised Business.

Franchisor retains the exclusive right to advertise or use the Marks on the Internet, including the use of websites, domain names, uniform resource locators, linking, search engines (and search engine optimization techniques), banner ads, video, video-streaming, digital signage, audio, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. Franchisee may be requested to provide content for Franchisor's Internet marketing and shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor retains the sole right to approve any linking to, or other use of, the Pocket Deli website. Further, Franchisor retains the right to utilize whatever form of advertising that may become available in the future.

Franchisor has the sole right to maintain Social Media sites and/or applications including, but not limited to: Twitter, Facebook, LinkedIn and other sites or applications that Franchisor may establish. Franchisor does not allow Franchisee to establish or utilize Social Media sites or applications for business purposes. Franchisee and Franchisee's employees do not have the right to utilize the Marks, any of the Trade Secrets, the Confidential Information, the common law copyrighted materials including the programs, photographs, program names, signage, promotional materials, Manual, training materials, Franchise Agreements, and/or any other documents, materials and items for the general ambiance and decor used in the operation of the System and the Pocket Deli™® Businesses on any Social Media sites and/or applications, even if made from Franchisee's personal Social Media account. Further, any representations from Franchisee or Franchisee's employees regarding Franchisee's profits or earnings made on any Social Media site and/or application, even if made from a personal Social Media account, is deemed a breach of Confidential Information under this Franchise Agreement.

Section 11.5 Telephone Directory Advertising

Franchisee is required to list and advertise the telephone number(s) for the Franchised Business in the ~~online~~ "white pages" telephone directory or the classified or ~~online~~ "yellow pages" telephone directory distributed in its trade area. Franchisee must be in the directory heading or category as specified by Franchisor. Franchisee must list the Franchised Business in or on Google Places, Facebook Ads, Print Ads, Radio Ads, and Bing and Google Adwords. All online or internet based requirements will be completed by our Marketing agency, Franchisee will be responsible for the costs associated with this online requirement.
All telephone and directory advertising expenditures are in addition to Franchisee's Local Advertising obligations.

Section 11.6 Vehicle Advertising

Franchisee is required to advertise the Pocket Deli™® Business on the Pocket Deli™® required vehicle pursuant to the guidelines and placement discussed in the Manual(s), and subject to Exhibit 6 requirements. Franchisor also requires Franchisee to keep the vehicle lease in place during the term of this Agreement. Franchisee shall keep the appearance and maintenance level as required in the Manual(s) and that the vehicle wrap or advertising in non-marred and readable for use in the Pocket Deli™® business.

ARTICLE 12 - ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

Section 12.1 Records

After the opening date of the Franchised Business, Franchisee shall submit to Franchisor, monthly, the financial, operational and statistical reports and information as Franchisor may require to (i) provide Franchisee with consultation and advice in accordance with this Agreement; (ii) monitor Franchisee's performance under this Agreement and Franchisee's purchases, revenue, operating costs, expenses and profitability; (iii) develop chain-wide or system statistics; (iv) develop new operating procedures; (v) develop new authorized services, remove unsuccessful authorized services, including unsuccessful

Approved Suppliers and improve and enhance authorized services; and (vi) implement changes in the Pocket Deli System to respond to competitive and marketplace changes.

During the term of this Agreement, Franchisee shall maintain full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles described by Franchisor in the Manual or otherwise in writing. Franchisee shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to the Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, copies of negotiated checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law.

Section 12.2 Financial Management

Franchisee shall make available sufficient working capital to permit operation of the Franchised Business in compliance with this Agreement. Franchisee shall pay the debts of, and taxes and assessments against the Franchised Business. Franchisee shall discharge any encumbrance within Thirty (30) days, or enter into an arrangement with debtor within Thirty (30) days to, within a reasonable time, discharge the debts / encumbrance against the Franchised Business.

Section 12.3 Gross Sales Reports

Franchisee shall maintain an accurate record of Gross Sales and shall deliver to Franchisor by close of business each Tuesday via facsimile transmission, e-mail or intranet system a signed and verified statement of Gross Sales ("Gross Sales Report") for the previous ~~Monday through~~ Sunday to Saturday in a form that Franchisor approves or provides in the Manual, which shall be submitted together with the Royalty Fee, as well as any documentation proving You have satisfied the requirements for the Local Advertising minimums have been spent.

Section 12.4 Financial Statements

Franchisee shall supply to Franchisor on or before the first Tuesday of each month, in a form approved by Franchisor, a balance sheet as of the end of the last day of the preceding month and an Income Statement or Profit & Loss Statement for the preceding month and the fiscal year-to-date. Franchisee shall, at its expense, submit to Franchisor within Ninety (90) days after the end of each calendar year, an Income Statement for the calendar year just ended and a Balance Sheet as of the last day of the calendar year. Such financial statements shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. If required by Franchisor, such financial statements shall be compiled, reviewed or audited by a certified public accountant. Franchisee shall submit to Franchisor such other periodic reports in the manner and at the time specified in the Manual or otherwise in writing.

Monthly and on the 31st of January of each year, after the Franchised Business opens, Franchisee must furnish to Franchisor an accurate accounting of the full expenditures and income (Profit & Loss Statement) for the preceding month or calendar year. These reports must utilize the approved Chart of Accounts provided for in the Manual(s).

Section 12.5 Other Reports

Franchisee shall submit the Local Marketing Report and the National Marketing Fund Contribution Reports weekly along with the Gross Sales Reports as stated in Section 12.3. Franchisee shall submit to Franchisor copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Manual. Franchisor shall have the right to release financial and operational information relating to the Franchised Business to Franchisor's prospective Franchisees, Franchisor's lenders or prospective lenders, as required with respect to offering Franchisor's or its Affiliate's securities to the public or as required to sell, merge or in any other manner transfer Franchisor's assets or any type of certificates representing an ownership interest in Franchisor. Franchisee shall certify as true and correct all reports to be submitted pursuant to this Agreement.

Section 12.6 Computer/Software/Phone System

Franchisee must purchase, install, update, upgrade and use computer, credit card processing systems, surveillance systems, point-of-sale system, software and phone systems consisting of hardware and software in accordance with Franchisor's specifications listed in the Manual(s).

We may establish and maintain an Intranet (the "Intranet") through which we, our employees and our franchisees may communicate with each other, and through which we may disseminate the Manuals, updates thereto and other confidential information. We have discretion and control over all aspects of the Intranet, including its content and functionality. We have no obligation to maintain the Intranet indefinitely and may dismantle it at any time without liability to you. The language used on the Intranet is English.

You will have the privilege to use the Intranet, subject to your strict compliance with the standards and specifications, protocols and restrictions (collectively, "Franchisor Protocols") that we may establish from time to time. Such Franchisor Protocols may relate to, among other things, (i) the use of abusive, slanderous or otherwise offensive language in electronic communications; (ii) communications between or among franchisees that endorse or encourage breach of any franchisee's franchise agreement; (iii) confidential treatment of materials that we transmit via the Intranet; (iv) password protocols and other security precautions; (v) grounds and procedures for our suspending or revoking a franchisee's access to the Intranet; and (vi) a privacy policy governing our access to and use of electronic communications that franchisees post to the Intranet. You acknowledge that, as administrator of the Intranet, we can technically access and view any communication that any person posts on the Intranet. You further acknowledge that the Intranet facility and all communications that are posted to it will become our property, free of any claims of privacy or privilege that you or any other person may assert.

You shall establish and continually maintain until the termination of the Franchise Agreement an electronic connection (the specifications of which will be specified in the Manuals) with the Intranet that allows us to send messages to and receive messages from you, subject to the Franchisor Protocols. If you breach or are in default under the Franchise Agreement or any other agreement with us or our Affiliates, we may disable or terminate your access to the Intranet without us having any liability to you, and in which case we will only be required to provide you a paper copy of the Manuals and any updates thereto, if none have been previously provided to you, unless you are not otherwise entitled to the Manuals.

In accordance with Franchisor's specifications listed in the Manual(s), Franchisee must purchase, for use in your Franchised Business at least three computers (placement will be discussed in the Manual(s)) with the specified software installed on them. We may require that Franchisee add additional, new or substitute software, replace or upgrade your computer systems and equipment, and enter into maintenance agreements with third parties. Franchisee must acquire, install, and maintain all required anti-virus and anti-spyware software as designated by Us in addition to any email or internet usage policies that We require within Thirty (30) days of written notice. Franchisee is solely responsible for updating the manufacturer's software on each device and ensuring that each device is not running old versions of the software.

There is currently only one approved point of sale system that Franchisee will use that satisfies our requirements. Also in accordance with Franchisor's specifications listed in the Manual(s), Franchisee must purchase the approved system through an approved supplier. Franchisee must purchase and install Toast, Pocket Deli version which will include the software and hardware required to operate your Franchised Business.

Presently, We require Franchisee to have QuickBooks accounting system. ~~Pocket Deli~~POCKET DELI has obtained a multi-user franchising direct agreement with ~~Intuit,~~the manufacture of QuickBooks, which Franchisee may purchase through Pocket Deli~~, at the specially prepared Intuit website for Pocket Deli Franchisees~~. Franchisee will be responsible for any upgrades or updates to the system thereafter. Although We do not set the pricing, ~~Intuit~~the manufacturer does~~. Currently~~, currently the pricing for QuickBooks is $~~40~~59.00 per month~~ for the online version or a single payment of $139.96 for a 1 user QuickBooks Pro or $384.96 for a 3 User license.~~. In addition, Franchisee must ~~purchase~~utilize the QuickBooks Learning ~~CD~~package if Franchisee does not currently use QuickBooks, which is currently $29.~~97~~00 through Pocket ~~Deli's Intuit website~~Deli. We will have access to the accounting system through QuickBooks remote access to validate the revenue for royalties. (Franchise Agreement Section 3.6)

There is currently only one approved phone system that Franchisee will use that satisfies our requirements. Franchisee must purchase the approved system~~.~~ through Pocket Deli. The approved system will be a VoIP phone system. We reserve the right to act as collection agent for the phone system, and collect fees Franchisee owes. Franchisee must purchase and use only the authorized phone to operate your Franchised Business. We estimate that the Pocket Deli initial phone system will cost approximately $200 to $400 depending upon how many phones or phone lines Franchisee wants.

There are other electronic components Franchisee must adhere to. Each location must have a music system on at all times during business hours which play Franchisors preapproved playlists. Franchisee must maintain a music system that will play Franchisors specified Pocket Deli music channel. Franchisee must use and maintain all wireless camera systems specified in the Manual(s).

Franchisor shall have full access to all of Franchisee's computer, software and phone data and systems and all related information by means of continuous direct access, whether in person or by telephone, modem or Internet to permit Franchisor to verify Franchisee's compliance with its obligations under this Agreement. Franchisor shall have the right to independently access Franchisee's entire computer, point-of-sale system, software and phone data and systems and all related information collected or compiled by Franchisee or in accordance with Franchisee's use of the computer, software, and phone systems, at any time, without notifying Franchisee.

Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures and similar problems, and attacks by hackers and other unauthorized intruders ("E-Problems"). Franchisor has taken reasonable steps so that E-Problems will not materially affect the Franchisor's business. Franchisor does not guarantee that information or communication systems that Franchisor or others supply will not be vulnerable to E-Problems. It is Franchisee's responsibility to protect itself from E-Problems. Franchisee should also take reasonable steps to verify that its suppliers, third-party vendors, lenders, landlords, and governmental agencies on which it relies, have reasonable protection from E-Problems. This may include taking reasonable steps to secure Franchisee systems (including firewalls, password protection and anti-virus systems) and to provide backup systems.

Section 12.7 Right to Inspect

Franchisor or its designee has the right, during normal business hours, to examine copy and audit the books, records and tax returns (both the business returns and Franchisee personal income tax returns) of Franchisee. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus late fees and interest as defined in Section 3.7. If the audit is conducted due to (i) Franchisee's failure to provide required reports to Us, or (ii) if any such inspection or audit reveals an underpayment of Two percent (2~~%)~~) or more of the amount due for any period covered by the audit, then Franchisee shall in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). In addition to any other rights Franchisor may have, including the right to Terminate this Agreement, Franchisor may conduct such further periodic audits and/or inspections of Franchisee's books and records as Franchisor reasonably deems necessary for up to three (3) ~~years~~year(s) thereafter at Franchisee's sole expense, including, without limitation, reasonable professional fees, travel, and lodging expenses directly related thereto. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

In the event that there are two 2 deficiencies during any Twelve (12) month period, the second deficiency shall be considered a material default of this Agreement and Franchisor shall have the right to terminate this Agreement without providing Franchisee the opportunity to cure the default.

Section 12.8 Release of Records

At Franchisor's request, Franchisee shall authorize and direct any third parties, including accounting, banking and legal professionals and tax authorities, to release to Franchisor all accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax payments, including federal, state and local tax returns, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired term of this Agreement plus three 3 years or until such time as Franchisor withdraws its request. Franchisee shall execute all documents necessary to facilitate the release of records referenced herein to Franchisor.

ARTICLE 13 - STANDARDS OF OPERATION

Section 13.1 Authorized Products, Services and Suppliers

Franchisee acknowledges the reputation and goodwill of the System is based in large part on offering high quality services to its customers. Accordingly, Franchisee shall provide or offer for sale, or contract to offer for sale, or use at the Franchised Business only those product items, supplies, and services Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. If required by Franchisor, any such items or services shall be purchased only from "Approved Suppliers" that Franchisor designates or approves (which might include, or be limited to, the Franchisor~~ or an Affiliate~~, or a third party from which Franchisor ~~derives~~may derive a fee or profit). Franchisee shall not offer for sale, sell or provide through the Franchised Business or from the Approved Location any items or services Franchisor has not approved in writing.

Franchisor shall provide Franchisee, in the Manual or other written or electronic form, with a list of Approved Suppliers for some or all of the specified items and services, and Franchisor may from time to time issue revisions to such list. Franchisor's designation of a particular third-party supplier whom Franchisee must purchase, lease or license specified services from does not constitute a representation or warranty of the Approved Supplier's ability to meet Franchisee's requirements nor of the fitness or merchantability of the services sold, leased or licensed by the supplier. Franchisee understands and agrees that its sole remedy in the event of any shortages, delays or defects in the services purchased, sold, leased from a designated third party Approved Supplier shall be against the Approved Supplier, not Franchisor or Franchisor's Indemnitees.

FRANCHISOR ~~AND ITS AFFILIATES DISCLAIM~~DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES CONCERNING ANY PRODUCTS OR SERVICES PROVIDED BY APPROVED SUPPLIERS, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AVAILABILITY, QUALITY, PRICING OR PROFITABILITY. ALL WARRANTIES ARE DERIVED STRICTLY AND SOLELY FROM THE MANUFACTURERS, AND NOT FROM ANY APPROVED SUPPLIERS, UNLESS STATED OTHERWISE IN WRITING FROM THE APPROVED SUPPLIERS. Franchisee acknowledges that Franchisor may, under appropriate circumstances, receive fees, commissions, field-of-use license royalties, or other consideration from approved suppliers based on sales to Franchisees, which consideration shall be contributed to Franchisor.

Franchisor may exercise its option to act as an intermediary between Franchisee or customer and Approved Supplier. However, this act by Franchisor does not create or constitute an agency relationship, nor an informed intermediary relationship between Franchisor and Approved Supplier and does not subject Franchisor to any liability on behalf of Approved Supplier's warranty nor any product liability under any theory, in any jurisdiction.

If Franchisee desires to utilize any services or products Franchisor has not approved (or for services and products that require supplier approval by Franchisor), Franchisee shall first send to Franchisor, on the approved form or in the approved format, as noted in the Manual(s) and which may be modified from time to time, sufficient information, specifications and samples for Franchisor to determine whether the service or product complies with its standards and specifications or whether the supplier meets its Approved Supplier criteria. Along with the submission of suggested suppliers information Franchisee must submit to Franchisor a One Hundred and Fifty ~~Dollar~~Dollars ($150.00) fee, in addition to any costs incurred against Franchisor, for Franchisor to begin the process of reviewing the suggested supplier. Franchisee or supplier shall bear all expenses incurred by Franchisor in connection with test marketing the product to determine whether it shall approve an item, service or supplier. Franchisor will decide, in its sole discretion, within Ninety (90) days after receiving the required information whether Franchisor temporarily approves the supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product, quality of products or services at competitive prices, production and delivery capability, and dependability and general reputation. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications Franchisor deems confidential. If Franchisor does not submit approval in writing to the Franchisee within Ninety (90) days, the proposed item, service, or supplier is deemed denied. Franchisor may refund any supplier fees, at its sole discretion, if the supplier is approved for use in the Franchised Business.

Notwithstanding anything to the contrary in this Agreement, Franchisor has the right to review from time to time its approval of any items or suppliers. Franchisor may revoke its approval of any item, service or supplier at any time by notifying Franchisee and/or the supplier. Franchisee shall, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor and shall promptly cease purchasing from suppliers disapproved by Franchisor within Thirty (30) days.

Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, Franchisee qualifications, test marketing, either for the purpose of

Franchisor or Franchisor's representative may make periodic visits, which may be in person, electronic_ or telephonic, which may be announced or unannounced, to the Franchised Business for the purposes of observation, consultation, assistance and guidance with respect to various aspects of the operation and management of the Franchised Business. Franchisor and Franchisor's representatives who visit the Franchised Business may prepare, for the benefit of either or both Franchisor and Franchisee, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchised Business. A copy of any such written report shall be provided to Franchisee. Franchisee shall implement any required changes or improvements as required by Franchisor, and within the time period required by Franchisor, with time being of the essence.

Franchisor or Franchisor's representative will periodically, not less than quarterly, advise and offer general guidance to Franchisee by telephone, email, webinars, facsimile, newsletters, or other methods deemed appropriate by Franchisor. Such advice and guidance may consist of knowledge and experience relating to the authorized services or products, assistance in obtaining consumers, communication of new developments, or improvements to the system, or additions in curriculum, software, supplies, or marketing and sales strategies.

Section 14.3 System Improvements

Franchisor shall communicate improvements in the System to Franchisee as such improvements may be developed or acquired by Franchisor and implemented as part of the System.

Section 14.4 Marketing and Promotional Materials

Franchisor may periodically provide, through the Internet site www.pocketdeli.com or other medium, advertising and promotional materials including ad-slicks, brochures, fliers, menus and other materials in a variety of forms and formats to Franchisee for use in the operation of the Franchised Business.

ARTICLE 15 - INSURANCE

Section 15.1 Types and Amounts of Coverage

If applicable and at its sole expense, Franchisee shall procure within Thirty (30) days of the Effective Date, and maintain in full force and effect during the term of this Agreement, the types of insurance listed below. All policies (except any workers' compensation insurance) shall expressly name Franchisor as additional insured's or loss payees and shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure:

a) "all risk" property insurance, including business interruption insurance, customarily obtained by similar businesses in your general area to cover, at a minimum, all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of your Pocket Deli Business; and

b) General commercial liability insurance in an amount of not less than $~~1~~2,000,000 per occurrence with a $2,000,000 general aggregate; and

c) Comprehensive general liability insurance, including products and contractual, in an amount of not less than $~~1~~2,000,000 per occurrences with a $2,000,000 general aggregate; and

d) Workers' compensation insurance for statutory limits and employer's liability insurance in an amount not less than $1,000,000; and

e) An umbrella policy in amount of not less than $2,000,000; and

f) Automobile liability coverage, including coverage of owned, non-owned and hired vehicles with coverage in amounts not less than $1,000,000 combines single limit~~; and~~.

~~g) $10,000 each for Medical expenses and Employment Practice Liability.~~

Section 15.2 Future Increases

Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.

be cured in such thirty (30) days, Franchisee has the right to terminate this Agreement only if Franchisor does not promptly undertake and continue efforts to cure such material breach.

Section 16.2 Termination by Franchisor

Non-curable Defaults

Franchisor has the right to terminate this Agreement, without any opportunity to cure by Franchisee, if Franchisee, or any of its officers, directors, owners, or ~~managers~~managees:

i. fails to pay the Initial Franchise Fee or other amounts due to the Franchisor or its Affiliate (or any balance thereof) at the time due within five (5) days after receiving written notice that such fees are overdue;

ii. fails to select an approved site ~~for~~ or fails to develop the site for the Franchised Business pursuant to Section 2.2;

iii. fails to have its Internal Manager satisfactorily complete any training program pursuant to Section 8.3;

iv. is convicted of or pleads no contest to a crime or offense that would place them on the sex offenders registry, was a violent felony, crimes against a human, sexual harassment against an employee, domestic abuse charges, ~~embezzlement, identity theft,~~ animal abuse, elderly abuse, substance abuse, DWI or DUI, any theft charge, or is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Business; or

v. discloses, duplicates or otherwise uses in an unauthorized manner any portion of the Manual or any other Confidential Information or the Marks; or

~~vi. fails a health inspection as such that the business has to close to the public; or~~

~~vii.~~vi. abandons, fails or refuses to actively operate the Franchised Business for seven (7) or more consecutive days (unless the Franchised Business has not been operational for a purpose approved by Franchisor), or, if first approved by Franchisor, fails to promptly relocate the Franchised Business following the expiration or termination of the lease for the Approved Location, the destruction or condemnation of the Approved Location or any other event rendering the Approved Location unusable, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the Franchisee's control; or

~~viii.~~vii. ~~surrenders~~attempts surrender or transfers control of the operation of the Franchised Business without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in Franchisee of a deceased or incapacitated owner thereof as herein required; or

~~ix.~~viii. submits to Franchisor on Two (2) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that fail to report and/or understate by more than two percent (2%) any Royalty Fee, any amount owed to Franchisor including the National Marketing Fund Contribution for any week or any other fees owed to Franchisor for any applicable accounting period and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error; or

~~x.~~ix. is adjudicated as bankrupt, becomes insolvent, commits any affirmative act of insolvency, or files any action or petition of insolvency; if a receiver of its property or any part thereof is appointed by a court; if it makes a general assignment for the benefit of its creditors; if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless *supersedeas* bond is filed); if execution is levied against Franchisee's business or property; if lessor evicts Franchisee from the Approved Location; if a suit to foreclose any lien or mortgage against its Approved Location or equipment is instituted against Franchisee and not dismissed within thirty (30) days or is not in the process of being dismissed; if Franchisor is listed as a creditor in any legal action; or

~~xi.~~x. misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks; or

~~xii.~~xi. receives more than ~~Two~~Twelve (2) notices to cure during any twelve (12) month period of the term of this Franchise Agreement, or repeatedly fails to comply with one or more requirements of the franchise, whether or not corrected after notice; or

~~xiii.~~xii. fails on Two (2) or more separate occasions within any period of Twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, National Marketing Fund Contribution, amounts due for purchases from Franchisor and/or any ~~Affiliate~~third party supplier, or other payment when due to Franchisor or any ~~Affiliate~~third party supplier, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee; or

xiii. fails to comply with health standards or repeatedly violates standards;

xiv. fails, for a period of ten (10) days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including but not limited to all health, safety, building and labor laws or regulations applicable to the operation of the franchise; or

xv. engages in any activity exclusively reserved to Franchisor; or

xvi. negatively communicates or impacts the Franchise system to any current or prospective Franchisee, outside of Franchisor sponsored forums; or

xvii. defaults on any lease necessary to running the Franchised business; or

xviii. repeatedly breaches this Agreement and/or repeatedly fails to comply with mandatory specifications, customer service standards or operating procedures prescribed in the Manual, whether or not previous breaches or failures are cured; or

xix. defaults under any other agreement between Franchisor (or any ~~Affiliate~~third party supplier) and Franchisee, such that Franchisor or its Affiliate, as the case may be, has the right to terminate such agreement or such agreement automatically terminates; or

xx. makes any material misrepresentations relating to the acquisition of the franchise business or the Franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system; or

xxi. after curing any failure in accordance with Curable Defaults engages in the same noncompliance whether or not such noncompliance is corrected after notice; or

xxii. the Franchisor makes a reasonable determination that continued operation of the franchise by the Franchisee will result in an imminent danger to public health or safety.

xxiii. or if Franchisee, or any of its officers, directors, owners, ~~managers~~managees, or any Covered Person engages in conduct that is deleterious to, or reflects negatively on Franchisee, Franchisor or the System or the Marks; or if Franchisee, or any of its officers, directors, owners, ~~managers~~managees, or employees of Franchisee or their representatives exhibit a reckless disregard for the physical or mental well-being or reputation of Franchisees employees, customers or Franchisor's affiliates or representatives or the public individually or at large through amongst others: theft, battery, assault, sexual harassment or discriminatory actions or speech, or by alcohol or drug abuse or other threatening, outrageous or unacceptable behavior.

Curable Defaults

Except as otherwise provided above in this Section 16.2, Franchisor has the right to terminate this Agreement for Good Cause (as defined in Article 1) in the following breaches and defaults by giving notice of such termination and stating the nature of the default; provided, however, that Franchisee may avoid termination by curing such default or failure (or by providing proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is affected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period, but the period to exercise the right to cure shall not exceed seventy-five (75) days unless there is a separate agreement between the Franchisor and Franchisee to extend the time:

i. within thirty (30) days of receiving notice of Franchisee's failure to pay any amounts due to Franchisor or National Marketing Fund Contribution;

ii. within thirty (30) days of receiving notice of Franchisee's failure to comply with any laws or regulations;

iii. within thirty (30) days of receiving notice of Franchisee's on any late payment due to Franchisor that is more than one (1) overdue payment;

iv. within ~~ninety (90~~thirty (30) days of receiving notice of Franchisee's failure to achieve the minimum gross sales requirements;

v. within thirty (30) days of receiving notice that Franchisee has lapsed or lost any certifications required to operate the franchise. Franchisee must provide a Internal Manager who is adequately trained to run the franchised business. If Franchisee does not have someone during the sixty~~-~~ day period to run the business, Franchisor may terminate this Agreement immediately;

vi. within Thirty (30) days of receiving notice that Franchisee fails to have the yearly Must be completed Forty (40) days after signing the Lease and includes a drug test, Child Protective Services check, DOJ report, etc. checks completed by ~~end~~March 28th of ~~first quarter~~ each year~~ and must be completed Forty (40) days after signing the Lease~~, Franchisee has a thirty (30) day right to cure;

vii. within Thirty (30) days of receiving notice that Franchisee fails to complete Initial Training within thirty (30) days of signing the Franchise Agreement;

viii. within Thirty (30) days of receiving notice of Franchisee's failure to begin operating the franchised business within ~~One Hundred and Forty (140~~30 (30) days, if a leased location, or sixty (60) days if building a location, after the Effective Date;

ix. within Thirty (30) days of receiving notice that Franchisee fails to maintain the Franchised Business under the primary supervision of a Internal Manager during the ~~Six (6) months~~one hundred, eighty (180) days following the death or incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee pursuant to Section 18.6;

x. within thirty (30) days of receiving notice of any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise prescribed in writing~~; and~~.

~~xi. within thirty (30) days of receiving notice of default pertaining to loss of License or Certificate, including Food Handler Certification, or receiving less than an "A" or passing grade from a health inspection.~~

If any default is not cured within the above time, if a curable default, or for any longer time as applicable law may require, an Event of Default has occurred by Franchisee, and all of Franchisee's rights under this Agreement terminate without additional notice to Franchisee, effective immediately. In addition to the Events of Defaults listed within this Section, an event of Default by Franchisee occurs if Franchisee exhibits deleterious conduct, or fails to comply with any of the covenants or requirements imposed by this Agreement, as it may be revised or supplemented by the Manuals, where the authority has been given to the Manuals by this Agreement or the Franchise Disclosure Document, or to carry out this Agreement in good faith. Franchisee has the burden of proving that Franchisee properly and timely cured any Default, to the extent a cure is permitted under this Agreement.

Notwithstanding any of the above, the Franchisor and Franchisee may agree in writing to terminate the Franchise Agreement.

Section 16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, Franchisor may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

business day of the termination of this Agreement must be completely covered by Franchisee until the time of its removal;

iii. maintain a conspicuous sign at the business in a form specified by Franchisor stating that Franchisee's business is no longer associated with the franchise system and advise all customers or prospective customers telephoning Franchisee's business that the business is no longer associated with the franchise system;

iv. deliver to Franchisor, all information, including any contracts, e-mail transmissions, written memorandums, customer sheets, or any other written or electronic data regarding customer lists or marketing efforts;

v. refrain from taking any action to reduce the goodwill of Franchisee's Customers or potential Customers, towards Franchisor, other Franchisees or any other aspect of the System;

vi. cease to use the Confidential Information, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks;

vii. upon demand by Franchisor, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as Franchisee's lease) its interest in the lease then in effect for the Approved Location to Franchisor. Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after Termination or expiration of this Agreement. Franchisor has the right to pay rent and other expenses directly to the party to whom such payment is ultimately due, with no liability for any previous ~~month's~~months lease payments prior to Franchisor accepting the assignment or sublease;

viii. immediately take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any fictitious or assumed name or equivalent registration filed with state, city or county authorities which contains the name ~~"~~"Pocket Deli" or any other Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement;

ix. pay all sums owing, after the Effective Date of Termination or Expiration of this Agreement through the date that Franchisee completes all post-termination obligations required under this Agreement, to Franchisor, and any Affiliate, which may include, but not be limited to, all damages, liquidated damages, costs and expenses, unpaid Royalty Fees, and National Marketing Fund Contributions, or any other amounts due to Franchisor or any ~~Affiliate~~third party supplier within five (5) days after Termination or expiration of this Agreement or the date on which Franchisee completes all post-termination obligations required under this Agreement, whichever occurs first;

x. immediately return to Franchisor the Manual(s) and all other Confidential Information including records, files, instructions, brochures, agreements, accounting reports, disclosure statements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised Business (all of which are acknowledged to be Franchisor's property);

Section 17.5 Survival of Certain Provisions

All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect until they are satisfied in full or by their nature expire.

Section 17.6 Existence of Claim

Franchisee expressly agrees that the existence of any claim that Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Article 17.

Section 17.7 Injunction

Franchisee acknowledges that any threatened or actual failure to comply with the requirements of this Article 17 would cause Franchisor to suffer immediate and irreparable injury for which no adequate remedy at law may be available, and Franchisee hereby accordingly consents to the *ex parte* entry of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 17. Franchisor may further avail itself of any other legal or equitable rights and remedies which it may have under this Agreement, statute, common law or otherwise.

Section 17.8 Franchisor is Attorney In Fact

Franchisor may, if Franchisee fails or refuses to do so, execute in Franchisee's name and on Franchisee's behalf any and all documents necessary to: cause discontinuation of Franchisee's use of the name, Pocket Deli, Pocket Deli or any other related or similar name or use thereunder; cancellations of services related to the Franchised Business; the execution of an assignment or sublease of the Approved Location; and Franchisor is hereby irrevocably appointed by Franchisee as Franchisee's Attorney-In-Fact to do so.

Section 17.9 Liquidated Damages

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Agreement's termination and the loss of cash flow from continuing Royalty Fees due to, among other things, the complications of determining what costs, if any, Franchisor might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. Therefore, upon termination of this Agreement according to its terms and conditions resulting from a breach by Franchisee, Franchisee agrees to pay to Franchisor within fifteen (15) days after the effective date of this Agreement's termination, in addition to the amounts owed hereunder, liquidated damages equal to One Thousand Dollars ($1,000.00) per day retroactive to first date of offense; plus average monthly amount of the last three (3) months royalties multiplied by the number of months remaining in the Franchise Agreement or until the Territory is resold, whichever occurs first, without the necessity of holding a full trial, and without the necessity of posting security or bond~~, subject to state law.~~.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages We would incur from this Agreement's termination and the loss of cash flow from continuing Royalty Fees due to, among other things, the complications of determining what costs, if any, We might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages. The liquidated damages provision only covers our damages from the loss of cash flow from the continuing Royalty Fees. Franchisor retains all other remedies available to it in equity or at law.

ARTICLE 18 - TRANSFERABILITY OF INTEREST

Section 18.1 Transfer by Franchisor

This Agreement and all rights and duties herein are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred~~; provided, however, that with respect to~~.

a) If any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor herein and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement~~.~~; and

b) Attornment. In the event that Franchisor transfers ownership via sale or assignment of the Franchise System, or the Franchise Agreements are acquired by another (i) Franchisee shall, subject to any non-disturbance provisions, attorn to such new owner, and upon request, enter into a new Franchise Agreement, containing all of the terms and provisions of this Franchise Agreement, with such new owner for the remainder of the term hereof, or at the election of the new owner, this Franchise Agreement will automatically become a new Franchise Agreement between Franchisee and such new owner, and (ii) Franchisor shall thereafter be relieved of any further obligations or liabilities hereunder and such new owner shall assume all of Franchisor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior Franchisor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Franchisee might have against any prior Franchisor, (c) be bound by prepayment of more than one month's Fees, or (d) be liable for the return of any security deposit paid to any prior Franchisor which was not paid or credited to such new owner.

Section 18.2 Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's (or its owners') personal or collective skills and financial ability. Accordingly, except for percentage of ownership transfers *inter se*, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Franchised Business, its assets or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor, such approval will not unreasonably be withheld.

Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement.

If Franchisee is in compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements, which shall not be unreasonably withheld, conditioned or delayed, if Franchisor has not exercised their right of first refusal, other than the completion of the below items:

i. Franchisee has complied with the requirements set forth in Article 19;

ii. Franchisee has paid the Transfer Fee to Franchisor in an amount equal to Fifteen Thousand Dollars ($15,000.00~~) pursuant to the Manual;~~);

iii. Transferee has paid to Franchisor the Transfer Training Fee of Ten Thousand Dollars ($10,000.00) and scheduled training for Transferee and Transferee's Internal Manager, if different then Franchisee's Internal Manager, to be completed not more than 90 days from the date of Transfer;

iv. all obligations owed to Franchisor, and all other outstanding obligations relating to the Franchised Business, are fully paid and satisfied;

v. the prospective Transferee has satisfied to Franchisor's satisfaction that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require, to operate a franchised business;

vi. the Transferee and, if Franchisor requires, all persons owning any interest in the Transferee, have executed the then-current Franchise Agreement for new Franchisees, which may be substantially different from this Agreement, including different Royalty Fee and National Marketing Fund Contribution rates and other fees and material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;

vii. the Franchisee has executed a general release, in a form the same as or similar to the General Release attached as Exhibit 1, but also including in the general release terms releasing, any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, legal representatives, attorneys, agents, owners, Internal Manager and employees, in their corporate and individual capacities, with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the Transferee by Franchisee; provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law;

viii. Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective Transferee relating to the intended sale or transfer of the Franchise;

ix. the Transferee, or all holders of a legal or beneficial interest in the Transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of the term;

x. Franchisee has agreed to be bound by the obligations of the new franchise agreement, any existing Franchise contracts and to guarantee the full performance thereof by the Transferee, if required by Franchisor;

xi. Transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location) and all applicable Federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

xii. Franchisee, and in the event Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee, and Internal Manager has executed and delivered to Franchisor a Non-Disclosure and Non-Competition Agreement in a form satisfactory to Franchisor and in a substance the same as the Non-Disclosure and Non-Competition covenants contained in Articles 7 and 17 and attached as Exhibit 2;

xiii. the Transferee agrees that its Internal Manager shall complete, to Franchisor's satisfaction, a training program, in substance, similar to the initial training described in Article 8 prior to assuming the management of the day-to-day operation of the Franchised Business.

Transferee shall receive the franchised businesses Exclusive Territory with all rights to exclusivity and scope as the Franchisee owns on the day of transfer.

Section 18.3 Transfer to a Controlled Entity

If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Franchisee ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

i. the Controlled Entity is newly organized, and its charter provides that its activities are confined exclusively to the operation of the Franchised Business;

ii. Franchisee, or all holders of a legal or beneficial interest in Franchisee, own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

iii. all obligations of Franchisee to Franchisor, or any ~~Affiliate~~third party supplier, are fully paid and satisfied; provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18.2;

iv. the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;

v. all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor, jointly and severally, guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;

vi. each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement;

vii. copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number and other governing regulations or documents, including resolutions of the board of directors and stockholders, managing members and members and general partners and limited partners, as applicable, authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption; and

viii. ~~a Five Hundred-Dollar~~a five hundred dollar ($500.00) fee.

The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Business, shall not constitute a waiver of any claims Franchisor may have against the transferor or the Transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

Section 18.4 Franchisor's Disclosure to Transferee

Franchisor has the right but not the obligation, without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended Transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Business or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the Franchised Business by an intended Transferee identified by Franchisee.

Section 18.5 For-Sale Advertising

Franchisee shall not, without prior written consent of Franchisor, place in, on or upon the location of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business or the rights granted herein. Franchisor will not withhold consent for "For-Sale Advertising" unreasonably upon written notice by Franchisee.

Section 18.6 Transfer by Death or Incapacity

Upon the death or incapacity (as determined by a court of competent jurisdiction) of any individual Franchisee or any holder of a legal or beneficial interest in Franchisee, the appropriate representative of such person (whether administrator, personal representative or trustee) will, within a reasonable time not exceeding Six (6) months following such event, transfer such individual's interest in the Franchised Business or any holder's legal or beneficial interest in Franchisee to a third party approved by Franchisor or Franchisor shall have the right to terminate this Agreement. Such transfers, including transfers by will or inheritance shall be subject to the conditions for assignments and transfers contained in this Agreement unless prohibited by the choice of law provision of the state where Franchisee resided, with such choice of law provision being applicable only for this Section 18.6. During such Six (6) months period, the Franchised Business must remain at all times under the primary management of a Internal Manager who otherwise meets Franchisor's management qualifications.

Following the death or incapacity of an owner of the Franchised Business, if necessary, in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor may charge a management fee as stated in the Manual which may be updated from time to time, currently ~~Sixty-Five Dollars ($65~~$500.00~~)~~ per ~~hour~~day plus reasonable expenses.

Section 18.7 Transfer upon Divorce or Partnership Dissolution

If this Agreement is in the name of two persons who are husband and wife or two or more persons who are partners as Franchisees, this section describes the policies to be applied upon divorce or dissolution of the partnership. During the period when a divorce or partnership dissolution action is pending, Franchisee must adopt one of the following methods of operation:

i. if one of the parties is willing to relinquish his or her right and interest in the franchise, thereby leaving his or her spouse or partner(s) to carry on the franchise unit, he or she may do so by assigning the interest to his or her spouse or to his or her partner(s) provided the remaining spouse or partner(s) has successfully completed basic management training;

ii. if the parties to a divorce or dissolution action agree that, despite their difficulties, they can continue to operate the franchised business jointly on a "business-as-usual" basis during the proceeding, they may do so; or

iii. if the parties in a divorce action or in partnership dissolution are not agreeable to operate under alternatives (a) or (b) then they must make arrangements to have their franchise business operated by a third party Internal Manager until the divorce or dissolution may be completed. The new Internal Manager must be approved by Franchisor and have satisfactorily completed basic initial / management training; and

iv. divorcing parties may, after final order or judgment, continue to operate their franchise business in the form of a partnership or other business entity even though they are no longer husband-and-wife. In such case, however, they must enter a formal agreement which defines the respective rights and obligations, file a signed copy with Franchisor, assign this agreement to the new entity, and comply with all other requirements for establishing the franchise business as a partnership or other business entity.

ARTICLE 19 - RIGHT OF FIRST REFUSAL

Section 19.1 Submission of Offer

If Franchisee, or any of its owners, proposes to sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted herein, Franchisee shall obtain and deliver a *bona fide*, executed written offer or proposal from a responsible and

Section 22.15 Survival of Terms

Each provision of Articles 17, 21, 22, 24, and those provisions hereinabove provided relating to covenants against post-termination/expiration use of the Proprietary Marks, Know-How and Copyrights will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, will survive and will govern any claim for rescission or otherwise. Each provision of this Agreement will be construed as independent of, and severable from, every other provision; provided that if any part of this Agreement is deemed unlawful in any way, the parties agree that such provision will be deemed interpreted and/or modified to the minimum extent necessary to make such provision lawful or, if such construction is not permitted or available, the remainder of this Agreement will continue in full force and effect. Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement.

ARTICLE 23 - DISPUTE RESOLUTION

Section 23.1 Choice of Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Texas (without reference to its conflict of laws principles). References to any law refer also to any successor laws and to any published regulations for such law, as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.~~ This subsection is subject to state law.~~

Section 23.2 Consent to Jurisdiction

Claims for injunctive relief or specific performance, or otherwise may be brought by Franchisor (i) where Franchisee resides or does business, (ii) where the Franchised Business is, or was located, (iii) in Williamson County, TX, where counsel is located, or (iv) where the claim arose; and Franchisee hereby waives all questions of personal jurisdiction and venue for the purpose of carrying out this provision.

Franchisee shall file any suit against Franchisor only in Williamson County, TX, ~~subject to state law, ~~in the federal court having jurisdiction; and ~~Franchisee~~Franchisor hereby waives all questions of personal jurisdiction and venue for the purpose of carrying out this provision.

Section 23.3 Rights and Remedies

Remedies are cumulative. No remedy in this Agreement for any party is intended to be exclusive of any other remedy. Each remedy is cumulative and is in addition to every other remedy given under this Agreement, now or later existing, at law, in equity, by statute or otherwise. Nothing contained herein shall bar Franchisor's right to obtain injunctive relief or specific performance against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions. Franchisee's rights and remedies regarding Franchisor's breach of this Agreement are as set forth in this Agreement.

i. disputes and controversies arising from the Sherman Act, the Clayton Act or any other Federal or state antitrust law;

ii. disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of any Confidential Information, the Proprietary Marks or any other trademarks;

~~iii.~~ disputes and controversies relating to actions to obtain
iii. possession of the premises of the Business under lease or sublease.

Both parties will sign a confidentiality agreement reasonably satisfactory to Franchisor. Upon submission, the obligation to attend mediation in the county and state designated by Franchisor (currently Williamson County, TX) is binding on both parties. Each party will bear his, her or its own costs for the mediation, except the mediation fee and the fee for the mediator will be split equally.

To initiate mediation, either Franchisor or Franchisee shall appoint one mediator and after appointment of the mediator, shall notify in writing the other of such appointment and the name of and the contact information for the mediator within three (3) business days after selection of said mediator. The mediation shall be conducted in Williamson County, TX as directed by the sole mediator. If an agreement is reached between the parties, then the signed award of the mediator shall be final and binding upon Franchisor and Franchisee and any other party to the mediation. Judgment may be entered upon the award of the mediator in any court having competent jurisdiction. If the first mediation between the Franchisor and Franchisee is not successful, both parties agree, prior to instituting any court action except as excluded within this Section, to participate in a second mediation session, and a third if necessary, which shall last at least eight (8) hours ~~and a minimum of two (2) attempts,~~ or until an agreement is reached whichever occurs first.

Franchisee acknowledges it has read the terms of this non-binding mediation provision and affirms each provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

Section 23.8 Withholding Consent

In no event will Franchisee make any claim, whether directly, by way of setoff, counter-claim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by Us. Franchisee's sole remedy for any such claim is to submit it to non-binding mediation as described in this Article 23.

Section 23.9 No Class Actions

Franchisee acknowledges that any disagreement between Franchisee and Franchisor (and Franchisor's affiliates) will be considered unique as to its facts and must not be brought as a class action, and Franchisee waives any right to proceed against Franchisor (and its affiliates, owners, officers, directors, employees, successors and assigns) by way of class action, or by way of a multi-plaintiff, consolidated or collective action.

ARTICLE 24 - ACKNOWLEDGMENTS

rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

4. Confidentiality/Non-Disclosure

a) Individual shall not whether in person, in writing, through the Internet or online through Social Media sites and/or applications communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any of the Company's Trade Secrets or Confidential Information.

b) Individual's obligations under paragraph 4(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee as an employee, agent, officer, director, executive, manager or member of Franchisee or a holder of a legal or beneficial interest in Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Individual shall (and Franchisee is entitled to) communicate Individual's obligations under this Agreement to any future customer or employer of Individual to the extent deemed necessary by Franchisee for protection of Franchisee's rights and obligations herein.

5. Non-Competition

a) Individual agrees that for the period the Individual has a relationship with Franchisee and the period of ~~three (3~~two (2) years after the Individual no longer has a relationship with Franchisee and has ceased engaging in the conduct stated below, Individual shall not, directly or indirectly, own an interest in, manage, operate, provide services to, carry on, be engaged in or take part in, or share in the earnings of any Competitive Business anywhere within (1) the greater of: (i) Twenty-Five miles of Franchisee's Approved Location as described in the Franchise Agreement; or (ii) the Exclusive Territory, as detailed in Section 2.5 of the Franchise Agreement~~, also described as follows: ______________________________;~~; and (2) Twenty-Five miles of any Pocket Deli~~TM~~® Business wherever located in existence at the time of termination of the relationship with Franchisee, without the express written consent of Franchisee. Further, the Individual agrees for the period the Individual has a relationship with Franchisee and the period of two (2) years after the Individual no longer has a relationship with Franchisee, the Individual shall not divert or attempt to divert any customer, employee or other business associate of Franchisee, the Company, the Company's Affiliate(s) (as defined in the Franchise Agreement) or any other Franchisee to any Competitive Business or solicit or otherwise attempt to induce or influence (by direct or indirect means) any customer, employee or other business associate of Franchisee, the Company, the Company's Affiliate(s) (as defined in the Franchise Agreement) or any other Franchisee to terminate or modify their business relationship with Franchisee, the Company, the Company's Affiliate(s) (as defined in the Franchise Agreement) or any other Franchisee.

b) "Competitive Business" means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) ~~________________________~~restaurant industry that are offered or supplied by Pocket Deli Franchisees, which are the same as or similar to those provided by Pocket Deli~~TM~~® Businesses or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or Pocket Deli's other Franchisees; provided, however, that the term "Competitive Business" shall not apply to (a) any business operated by Franchisee under a franchise agreement with Franchisor, (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest, (c) any business operated by Franchisee or its Affiliate(s) that has been disclosed, in writing, to Franchisor prior to the Effective Date of this Agreement, or (d) any business such as a marketing or scheduling company whose primary business is not affiliated with the ~~________________________~~restaurant industry.

c) Except as set forth in paragraph 5(a), "Affiliate" means any business entity that controls, is controlled by, or is under common control with Individual.

EXHIBIT 6 ~~TO THE FRANCHISE AGREEMENT~~

TO THE FRANCHISE AGREEMENT
MARKS

Franchisee has the right to operate a Franchised Business exclusively under the trade name and service mark ~~"~~"Pocket Deli" and under any other trade names, trademarks, service marks, logotypes, or other commercial symbols, and patents (the "Marks") currently authorized for use or that Pocket Deli Franchising~~, LLC~~ may later authorize for use in the operation of franchised businesses under the System~~. Franchisor's Affiliate~~ provided that Franchisee is current with the payment of Royalties. Alcarico Holdings, LLC~~, AHL~~ is the sole and exclusive owner and licensor of all right, title, and interest in the Marks. The following Mark(s) are registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"). All necessary renewal applications have been filed with respect to the following Mark:

Mark	**International Classification**	**Registration Number**	**Filing Date**
Pocket Deli	043	4,963,418	May 24, 2016
What's In Your Pocket?	043	Pending	
Baked Daily…Chopped Often…Stuffed On Demand	043	Pending	

Alcarico Holdings, LLC~~, AHL~~, has granted Us a license to use and sublicense to use the above-mentioned Marks, dated April 25, 2019. The term of the license is for 99 years. The license agreement may be terminated if We take any affirmative act of insolvency, if a receiver or trustee is appointed to take possession of our properties and is not discharged within 90 days, if We wind up, sell, consolidate or merge our business, or if We breach any of our duties and obligations under the license and do not cure the breach within 60 days following written notice of the breach. Within the license agreement, the term "Marks" includes any other trade names, service marks, trademarks, designs, logos, slogans and commercial symbols now in existence or later adopted by our affiliate that are used in connection with the System. This license agreement licensed to Us any future trademarks acquired by our affiliate as well. In the event that Alcarico Holdings, LLC terminates our Agreement with them, they must honor all Franchisees sublicense agreements, including the right to renew.

Franchisor, as licensee to all right, title and interest to the Marks, except as described above, claims common law rights to the Marks and trade dress including~~:~~ product names, business advertising materials and photographs. All necessary applications have been filed with respect to the federal registrations. Franchisee is authorized to use the Marks appearing above, and each Mark subsequently developed and designated by Franchisor, in the operation of Franchisee's Business.

Franchisor may change or modify the System presently identified by the Marks, including the adoption and use of new or modified trade names, service marks, trademarks or copyrighted materials, new programs or systems for the Franchise Business, new product lines, new employee training, new equipment or new techniques and Franchisee must accept, use and display those changes in the System, as if they were part of the Franchise Agreement at the time of its signing. Franchisee will make the changes at Franchisee's expense.

MARK USE GUIDELINES

Proper use of a mark involves some basic rules which center around ensuring that the mark is recognized by the public as an indication of single source and is distinguished from the mere name of a product or service.

Although these rules will vary somewhat for different types of marks and use situations, the recommended guidelines are presented below. Franchisor may modify such guidelines and impose additional restrictions with respect to such Marks in its sole discretion.

Use the mark only as a proper adjective followed by a noun, and not as a possessive, a description (noun), a plural or a verb. Make sure that the symbol "TM" (designating trademark used to indicate source of products) or "SM" (designating service mark used to indicate source of services), or ~~TM~~® designating use of a federally registered Mark, as appropriate, prominently appears at least once in close association with the mark.

Make the mark stand out from the rest of the text (bolder type, ALL CAPS, *italics*, underline, etc.)

Avoid variations in spelling or display. By way of example, the following is proper:

Pocket Deli~~TM~~®
Pocket Deli®
Pocket DeliSM

The following is not proper:

Take yourself to Pocket Deli sandwiches using daily, baked from scratch bread, chopped vegetables, meats and cheeses stuffed on demand for the freshest pockets and deli fare available anywhere. (noun, no special typography, no service mark indication)

There are numerous Pocket ~~Delis~~Deli sandwiches using daily, baked from scratch bread, chopped vegetables, meats and cheeses stuffed on demand for the freshest pockets and deli fare available anywhere's around the country. (noun, plural, no special typography, variation, no service mark symbol)

~~Pocket Deli Sandwiches Services~~ Pocket Deli Sandwiches Using Daily, Baked From Scratch Bread, Chopped Vegetables, Meats And Cheeses Stuffed On Demand For The Freshest Pockets And Deli Fare Available Anywhere's services (possessive, variation, no service mark symbol)

It is not necessary that the SM, TM, or ® be used so often as to become obtrusive; once or twice in a short document is enough. When it is not obvious from the text, it is important that a legend indicating ownership of the marks appears somewhere reasonably visible on the document; namely, Pocket Deli~~TM~~® (and design) are trademarks and service marks of Alcarico Holdings, LLC~~, AHL~~.

EXHIBIT 8~~ TO THE FRANCHISE AGREEMENT~~

TO THE FRANCHISE AGREEMENT
AUTHORIZATION AGREEMENT
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)

Franchisor Name: **Pocket Deli Franchising, LLC**

I (We) hereby authorize Pocket Deli Franchising, LLC, hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account indicated on the Summary Page to this Franchise Agreement, at the depository financial institution named, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

This authorization is to remain in full force and effect until Pocket Deli Franchising~~, LLC~~ has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (Us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 3 and 11 of the Franchise Agreement.

IN WITNESS HEREOF, Franchisee, and all of its Owners, Directors and Members acknowledge that by signing the Summary Page of this Franchise Agreement you are also simultaneous signing this ACH Withdrawal Form, personally.

EXHIBIT 9~~ TO THE FRANCHISE AGREEMENT~~

TO THE FRANCHISE AGREEMENT
TELEPHONE NUMBER ASSIGNMENT AGREEMENT AND POWER OF ATTORNEY

FOR VALUE RECEIVED, the ("Franchisee") irrevocably assigns the telephone listing and numbers used in the Franchised Business and any successor, changed or replacement number or numbers effective upon the date of termination of the Franchise Agreement described below to Pocket Deli Franchising, LLC ("Franchisor"), upon the following terms:

1. This assignment is made under the terms of the Pocket Deli Franchising~~, LLC~~ Franchise Agreement as of the Effective Date authorizing Franchisee to do business as ~~"~~Pocket Deli Franchising~~, LLC~~" (the "Franchise Agreement"), which in part pertains to the telephone listing and numbers the Franchisee uses in the operation of the Franchised Business covered by the Franchise Agreement.

2. Franchisee retains the limited right to use the telephone listing and numbers only for transactions and advertising under the Franchise Agreement while the Franchise Agreement between Franchisor and Franchisee remains in full force, but upon termination or expiration of the Franchise Agreement, Franchisee's limited right to use of the telephone listing and numbers also terminates. In this event, Franchisee agrees to immediately discontinue use of all listings and numbers. At Franchisor request, Franchisee will immediately sign all documents, pay all monies, and take all other action necessary to transfer the listings and numbers to Franchisor.

3. Franchisee shall provide Franchisor with all numbers on the rotary series and all numbers the Franchisee uses in the Franchised Business in the future within 5 business days of creation of that number.

4. Franchisee shall pay all amounts owed for the use of the telephone numbers and affiliated listings Franchisee incurs. On termination or expiration of the Franchise Agreement, Franchisee shall immediately pay all amounts owed for the listings and telephone numbers, whether or not due, including all sums owed under existing contracts for telephone directory or online advertising.

5. Franchisee appoints Franchisor as Franchisee's Attorney-In-Fact to act in Franchisee's place for the purpose of assigning any telephone number covered by Paragraph 3 above to Franchisor or Franchisor's designees or Transferees. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of these powers, including full power of substitution and signing or completion of all documents required or requested by any telephone company to transfer the numbers, and ratifies every act that Franchisor lawfully performs in exercising those powers.

This Power of Attorney is effective for five (5) years from the date of expiration, cancellation or termination of Franchisee's rights under the Franchise Agreement for any reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all right to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney is not affected by Franchisee's later incapacity. This power is created to secure performance of a duty to Franchisor and is for consideration.

THE PARTIES have caused this Agreement to be duly signed, in both their individual and representative capacities as evidenced by their signatures on the Summary Page of this Franchise Agreement.

EXHIBIT 11
TO THE FRANCHISE AGREEMENT

TERRITORY

This Agreement is made by and between the person or entity whose name appears, or the persons whose names appear, on the Signature Page of this Agreement

Designated Location (If applicable)

Franchisee has suggested, and Franchisor has approved the following location for the office location of the Franchised Business: ______________________________________

____

Exclusive Territory

Provided that Franchisee is in compliance with the Minimum Enrollment and Gross Sales Volume, and current on all Royalties and Other Fees due Franchisor, Franchisee shall have a Exclusive Territory which is described as:

(A portion of) The Metropolitan Statistical Area, MSA ~~18580 which s.~~ ______________________________.

IN WITNESS WHEREOF, this Territory Exhibit, attached to the Franchise Agreement, is made effective as of the Effective Date on the Summary Page.

EXHIBIT 12~~ TO THE FRANCHISE AGREEMENT~~

TO THE FRANCHISE AGREEMENT

LEASE ADDENDUM

The Franchisee, by their signature on the Summary Page attached to this Franchise Agreement, agrees, if they are leasing space for the franchised business, to either:

1) have the Landlord sign and execute the following Lease Addendum; or

2) have all of the clauses and terms contained in the following Lease Addendum incorporated into the body of the Lease they execute with Landlord.

LEASE ADDENDUM REQUIRED BY THE POCKET DELI FRANCHISE AGREEMENT

This Franchise Lease Addendum ("Rider"), dated the _______ day of _____________________, 20____, is entered into between ____________________________ ("Landlord") and _______________________________ ("Tenant").

RECITALS

WHEREAS, Landlord and Tenant have entered into a Lease dated ______________________, 20____ (the "Lease"), relating to the premises located at _______________________ (the "Premises").

WHEREAS, Landlord acknowledges that Tenant intends to operate a Pocket Deli ("Business") from the Premises pursuant to Tenant's Franchise Agreement with Pocket Deli Franchising, ~~LLC,~~ a ____________________________________ Texas Limited Liability Company ("Franchisor") dated ~~_____________________(~~___________________________ (the "Franchise Agreement"), which provides for, among other things, the operation by Tenant of a Pocket Deli franchised business under Franchisor's criteria and guidelines utilizing the Pocket Deli name and Trademarks as Franchisor my designate in the operation of the Store at the Premises, and which may be modified from time to time.

WHEREAS, Tenant has agreed to grant Franchisor certain rights under the Franchise Agreement, including the terms contained in this Franchise Lease Rider for the purpose of, among other things, protecting the locational goodwill associated with the Premises, and Landlord is willing to agree to the terms contained in this Franchise Lease Rider so that Franchisor consents to Franchisee entering into the Lease.

WHEREAS, Landlord further acknowledges that Franchisor has approved Tenant's request to locate its Business on the Premises that is the subject of the Lease, provided that the conditions and agreements set forth in this Rider are made a part of the Lease.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Lease as follows:

1. Permitted Use. The Premises will be used solely for the operation of a retail business specializing in the services offered or sold from Franchisor, Franchisor's affiliates, or Franchisor's other Pocket Deli Businesses. The business operated by Tenant from the Premises will be identified solely by the service mark Pocket Deli. Landlord will not permit Tenant to change the service mark or trade name it uses at the Premises without the prior written approval of Franchisor.

2. Remodeling and Décor.

(a) Use of Marks. Landlord consents to Tenant's use and installation of the trademarks, service marks, signs, décor items, color schemes, use of a wrapped and logoed vehicle at the Premises, and related components of the Franchisor's system as Franchisor may from time to time prescribe for the franchised business.

(b) Landlord agrees that Tenant has the right to remodel, equip, paint, and decorate the interior of the Premises and to display such Trademarks and signs on the interior and exterior of the Premises as Tenant is required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Tenant may operate a Business on the Premises. Any remodel of the building and/or its signage shall not be subject to Landlord's prior approval, nor any liability to Landlord for such remodels.

deliver to Landlord its assumption of Tenant's rights and obligations under the Lease. Franchisor or its affiliate shall pay, perform, and be bound by all the duties and obligations of the Lease applicable to Tenant, except that the Franchisor may elect not to assume or be bound by the terms of any Amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, which shall not be unreasonably withheld or delayed.

(c) At or after the time Franchisor or its affiliate assumes Tenant's interests under the Lease, the Franchisor or its affiliate may, at any time, assign such interests or sublet the Premises to a Pocket Deli Franchisee. Any such assignment shall be subject to the prior written consent of the Landlord, which Landlord shall not unreasonably withhold as it relates to a creditworthy Franchisee who otherwise meets Franchisor's then-current standards and requirements for the Franchisees and agrees to operate the Business as a Pocket Deli retail Business pursuant to a Franchise Agreement with Franchisor. Upon receipt by Landlord of an assumption agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions, and agreements on the part of Tenant to be performed under the Lease, Franchisor or its affiliate shall thereupon be released from all obligations and liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgement of such release by Landlord.

(d) Automatic Termination of Personal Guarantee. After the conclusion of the first (2) years of the initial term of this lease, any personal Guaranty provided to Landlord on behalf of Tenant, Franchisee or Franchisor shall be terminated, provided there have been no events of default by Tenant under the lease.

8. Access to Premises During Lease. As provided in the Franchise Agreement, Franchisor shall have the right to access the Premises during continuance of the Lease to ensure compliance by Tenant with its obligations under the Franchise Agreement. Franchisor shall have the right, without being guilty of trespass or any other crime or tort, but has no obligation, to enter the Premises at any time (i) to make any modification or alteration it considers necessary to protect the Franchisor's system and proprietary marks, (ii) to cure any default under the Franchise Agreement or the Lease, or (iii) to remove Franchisor's trademarks and trade dress upon the Franchise Agreement's expiration or termination. Neither Franchisor nor Landlord shall be responsible to Tenant for any damages Tenant might sustain as a result of action Franchisor takes in accordance with this provision and Tenant remains liable to reimburse Franchisor for the costs of de-identification, as described in the Franchise Agreement. Franchisor shall repair or reimburse Landlord for the cost of any damage that result from Franchisor's removal of trade dress items and other property from the Premises.

9. Exclusivity. During the Term of this Lease and any extension thereof, Landlord agrees that (i) Tenant shall have the exclusive right in the shopping center, or Business complex to operate quick service ~~location~~industry that may include sandwiches using daily, baked from scratch bread, chopped vegetables, meats and cheeses stuffed on demand for the freshest pockets and deli fare available anywhere, and (ii) quick service industry services and related products, accessories and services hereunder shall be considered a protected use for Tenant. If the provisions of this Section, including the protected use provision, are violated, then in addition to any other remedy Tenant may have at law or in equity, Tenant shall have the right to (a) terminate the Lease, or (b) immediately reduce its Base Rent under the Lease to One Dollar ($1.00) per month until such time as Landlord's breach is cured, or for the remainder of the Term, and any renewals, if such breach cannot be cured.

10. Additional Provisions.

(a) Landlord hereby acknowledges that the provisions of this Lease Rider are required pursuant to the Franchise Agreement under which Tenant plans to operate its Pocket Deli Business and the Tenant would not lease the Premises without this Rider.

(b) Landlord further acknowledges that Tenant is not an agent or employee of Franchisor and that Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any ~~affiliate~~supplier of Franchisor, and that Landlord has entered into this Lease Rider with full understanding that it creates no duties, obligations, or liability of or against Franchisor or any ~~affiliate~~third party supplier of Franchisor, unless and until the Lease is assigned to, and accepted in writing by, Franchisor.

(c) All notices to Franchisor required by this Rider must be in writing and sent by registered or certified mail, postage prepared, or may be sent by Federal Express or other overnight carrier which obtains a signature upon delivery, to the following address:

Pocket Deli Franchising~~, LLC~~
Attn: Franchise Operations
1320 Arrow Point Drive, Suite 501-90
Cedar Park, TX 78613

with copy to:

Pocket Deli Franchising~~, LLC~~
c/o Shelton Law & Associates Law Firm
~~3235 Sunrise Blvd.,~~1320 Arrow Point Drive, Ste ~~1~~501
~~Rancho Cordova, CA 95742~~
Cedar Park, TX 78613

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

11. Sales Reports. If requested by Franchisor, Landlord will provide Franchisor with whatever information Landlord has regarding Tenant's sales from the Business.

12. Amendment of Lease. Landlord and Tenant will not amend the Lease without first obtaining written consent from Franchisor of the terms of said Amendment.

13. Conflicts. In the event of a conflict between the terms of the Lease and the terms set forth in this Rider, the terms set forth in this Rider shall govern. In the event of a conflict between notices proved to Landlord by Tenant and Franchisor, the notices of Franchisor shall prevail. Landlord and Tenant acknowledge and agree that Franchisor shall have an independent right to enforce the terms of this Rider against Landlord and Tenant, despite the fact that Franchisor is not a party to the Lease.

14. Miscellaneous. Any waiver excusing or reducing any obligation imposed by this Rider shall be in writing and executed by the party who is charged with making the waiver and shall be effective only to the extent specifically allowed in such writing. The language used in this Rider shall in all cases be construed simply according to its fair meaning and not strictly for or against any party. Nothing in this Rider is intended, nor shall it be deemed, to confer any rights or remedies upon any person or entity not a party hereto. This Rider shall be binding upon, and shall inure to the benefit of, the successors, assigns, heirs, and personal representatives of the parties hereto. This Rider sets forth the entire agreement with regard to the rights of Franchisor, fully superseding any and all prior agreements or understandings between the parties pertaining to the subject matter of this Rider. This Rider may only be amended by written agreement duly executed by each party.

15. Counterparts. This Franchise Lease Rider may be executed in multiple counterparts by the parties and all such counterparts when taken together shall be deemed one original. This

~~EXHIBIT 13 TO THE FRANCHISE AGREEMENT~~

EXHIBIT 13

TO THE FRANCHISE AGREEMENT

HOMELAND SECURITY AGREEMENT

THIS HOMELAND SECURITY AGREEMENT is entered into on the Effective Date, between Franchisor and Franchisee. In consideration of the Pocket Deli franchise granted to Franchisee by Franchisor pursuant to that certain Pocket Deli Franchise Agreement dated as of the Effective Date (the "Franchise Agreement") and/or the extension of license by Pocket Deli to Franchisee, of its Trademarks and Servicemarks as evidenced in Exhibit 6 of the Franchise Agreement, and other good and valuable consideration, Franchisor and Franchisee agree as follows:

Franchisee and Franchisee's owners agree not to employ or contract with any person working in the United States that is not 1) a United States citizen, 2) a lawful permanent resident, or 3) anyone who does not have a legally issued eligibility permit to work in the United States of America, within the operation of their Pocket Deli business.

Franchisor and Franchisee acknowledge that this Exhibit to the Franchise Agreement does not pertain to outside Vendors, the consumer, individuals with documented work visas, or the general public. Franchisee shall submit to Franchisor, upon request, proof of authorization to work in the United States for any independent contractors, employees, managers, Internal Manager, officers, agents and representatives that are involved in the day to day business operation of the Pocket Deli Business.

Franchisee acknowledges that a breach of this Exhibit to the Franchise Agreement is grounds for an immediate Termination of the Franchise Agreement Without an Opportunity to Cure and requires no advance or additional Notice to Franchisee of such Breach. The Burden of Proof that Franchisee did not Breach this Exhibit to the Franchise Agreement will rest solely on Franchisee to prove its non-breach of this Exhibit. Franchisee has read this statement and acknowledges that this provision is not overreaching or unduly burdensome on Franchisee.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed and delivered this Franchise Agreement and all of its Exhibits by their signatures on the Summary Page as of the Effective Date.

EXHIBIT 14
TO THE ONGOING FRANCHISE AGREEMENT

REQUIRED AND OPTIONAL EQUIPMENT

Pocket Deli® Machines and Equipment		
Quantity	Description	Supplier
1	Wallpaper / Vinyl Bread Sign	Pocket Deli®
1	Bread Oven	Pocket Deli®
1	Proofer	Pocket Deli®
1	POS System	Pocket Deli®
1	Mixer	Pocket Deli®
Materials and Supplies		
Quantity	Description	Supplier
As needed	Oil	Pocket Deli®
As needed	Vinegar	Pocket Deli®
As needed	Bread Manual	Pocket Deli®
As needed	Sandwich label	Pocket Deli®
As needed	Uniforms	Pocket Deli®
As needed	Marketing Materials	Pocket Deli®
As needed	Stationery	Pocket Deli®
As needed	Misc. Other supplies	Pocket Deli®

A list of additional required and optional equipment and supplies, purchasable through third party suppliers, will be provided in the Pocket Deli Operations Manual.

EXHIBIT 15

TO THE FRANCHISE AGREEMENT

PROMISSORY NOTE FOR INVESTMENT INFO FRANCHISE SYSTEM

FOR VALUE RECEIVED, __________________, LLC ("Borrower"), __________________, promise(s) to pay to Investor located at __________________ ("Investor"), in lawful money of the United States of America, the principal sum of __________________ Thousand dollars ($___________) with interest on the principal balance from time to time remaining unpaid prior to default or maturity at the rate set forth below.

Principal and interest shall be paid to Investor beginning on ~~the~~______ day ~~the franchised business opens to the public~~of ___________________, _________ (the "Effective Date") and continuing thereafter until ~~paid in full~~______ day of ___________________, _________ (the "Maturity Date"), which shall not exceed ~~Eight (8) months~~___________________ from the Effective Date, based upon the provisions and covenants detailed below.

1. ~~Weekly~~Monthly Installments. Borrower may, but is not required to, make ~~weekly~~monthly payments that shall be credited towards the all due balance described below. The balance, if any remaining, shall be due and payable on or before the Maturity Date.

2. Interest Rate. Interest on the principal balance hereof in totality to the Maturity Date shall be payable at a rate equal to a flat non-prorated and non-annual percent of ~~Eight~~twenty-five percent (~~8~~25%). No additional interest shall be added to nor taken away from the total interest due based upon when the full balance is paid. For example, if the Investor invests $~~17,500~~100,000.00 with Borrower, the Investor shall be repaid a total of $~~18,900~~125,000.00 flat, notwithstanding the date when the entire balance is repaid.

3. Acceleration; Events of Default. Investor may at its option, without notice to Borrower or any other person, accelerate the Maturity Date at any time it shall reasonably deem itself insecure; or for any one of the following reasons, each of which shall be defined as an Event of Default: (i) Failure by Borrower to make any payment pursuant to this Note when due; or (ii) termination of or default under any other note, loan, or obligation Borrower may have with Investor or any of its Affiliates that is in existence at the Effective Date or which may later come into existence. At such time that Investor exercises its option to accelerate the Maturity Date, the entire principal and interest hereunder shall become immediately due and payable.

4. Excessive Interest. In no event, whether by reason of demand for payment, prepayment, acceleration of the Maturity Date or otherwise, shall the interest contracted for, charged or received by Investor exceed the maximum amount permissible under applicable law. If from any circumstances interest would otherwise be payable to Investor in excess of the maximum lawful amount, the interest payable to Investor shall be reduced automatically to the maximum amount permitted by applicable law. If Investor shall ever receive anything of value deemed interest under applicable law which would apart from this provision be in excess of the maximum lawful amount, an amount equal to any amount which would have been excessive interest shall be applied to the reduction of the principal amount owing hereunder in the inverse order of its maturity and not to the payment of interest, or if such amount which would have been excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to Borrower. All interest paid or agreed to be paid to Investor shall, to the extent permitted by applicable law be spread throughout the full stated term (including any renewal or extension) of such indebtedness so that the amount of interest on account of such indebtedness does not exceed the maximum permitted by applicable law, or the maximum amount reflected in Section 2 above. The provisions of this paragraph shall control all existing and future agreements between Borrower and Investor.

5. Payment. Unless otherwise designated by Investor, all payments hereunder shall be made to the Investor at the address reflected in paragraph one above.

Should any installment of principal and/or interest upon this Note become due and payable on any day other than a Business Day ("Business Day" means Monday through Friday upon which Savings and Loan Associations located in the state of Arizona are open for business), the maturity thereof shall be extended to the next succeeding Business Day.

6. Prepayment. Borrower reserves the right to prepay the outstanding principal balance of this Note, in whole or in part, at any time and from time to time, without premium or penalty. Any such prepayment shall be made together with payment of interest on the amount of principal being prepaid through the date of such prepayment.

7. Notice. Addresses for Notices:

If to Borrower:

____

____

____

If to Investor:

____

____

____

8. Grammar. As used herein, where appropriate, the masculine gender includes the feminine and the neuter, and the singular numbers include the plural.

9. ~~**Security Requirement**. UCC filing on the business, equipment and fixtures and residuals, and a Standard Personal Guarantee attached to the Franchise Agreement by the individual owner(s) of the Franchise and all Guarantors listed on the Franchisor Agreement Guaranty Addendum.~~

~~**10.**~~ **Governing Law.** THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN

ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND THE UNITED STATES OF AMERICA, EXCEPT THAT ANY CONFLICT OF LAWS RULE OF SUCH JURISDICTION WHICH WOULD REQUIRE REFERENCE TO THE LAWS OF SOME OTHER JURISDICTION SHALL BE DISREGARDED.

EXHIBIT F
TO POCKET DELI FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
AREA DEVELOPMENT AGREEMENT

By and Between

POCKET DELI FRANCHISING, LLC, FRANCHISOR

AND

________________________________, **DEVELOPER**

DEVELOPMENT AGREEMENT
SUMMARY PAGE(S)

EFFECTIVE DATE:		_______day of ____________________, 20___
DEVELOPER:		
DEVELOPER'S ADDRESS FOR NOTICES:		
TELEPHONE NUMBER:		_______________
EMAIL ADDRESS:		____________________________________
DEVELOPMENT FEE:		Seventy-five Thousand (75,000) for the right to develop the total number of franchised units shown on the Development Schedule on Exhibit I. Franchisor acknowledges previous receipt of the Preliminary Agreement Fee and the Establishment Agreement Fee
DEVELOPMENT TERM:		The full development term shall be equal to the last date of the last unit shown on the Development Schedule on Exhibit I
TRANSFER FEE:		Transfer Fee payable to Franchisor upon notice is Fifteen Thousand Dollars ($15,000.00) plus a Transfer Training Fee of Ten Thousand Dollars ($10,000.00)
OPEN FOR BUSINESS DEADLINE DATE:		For each granted Franchised Unit, the development deadline shall be what is indicated on Exhibit I
DEVELOPER'S TERRITORY:		Shall be what is indicated on Exhibit I
MEDIATION REQUIRED:		Mediation required in the State of Williamson County, TX for all disputes
FRANCHISOR ADDRESS FOR NOTICES:		Pocket Deli Franchising, LLC Attn: Franchise Operations 1320 Arrow Point Drive, Suite 501-90 Cedar Park, TX 78613 with copy to: Pocket Deli Franchising c/o Shelton Law & Associates Law Firm 1320 Arrow Point Drive, Ste 501 Cedar Park, TX 78613

Even though this Agreement contains provisions requiring Developer to operate the Business and the Franchised Business in compliance with the System: (1) Franchisor does not have authority to control the day-to-day conduct and operation of Developer's business or employment decisions; and (2) Developer and Franchisor do not intend for Franchisor to incur any liability to third parties in connection with or arising from any aspect of the System or Developer's use of the System, whether or not in accordance with the requirements of the Manuals.

Nothing in this Agreement or any related Agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document. The submission of this Agreement to Developer does not constitute an offer to Developer, and this Agreement shall become effective only upon execution by Franchisor and Developer.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed and delivered this Agreement on the Effective Date, and hereby accepts and approves the attached Development Agreement, with its Exhibits I-IV. Developer hereby acknowledges that the Agreement and Exhibits include Non-Competition and Non-Disclosure items, Personal Guaranty's and the requirement to abide by the laws under the United States Department of Homeland Security to name just a few. This Agreement was requested to be sent electronically for ease of signing, and is hereby acknowledged by the parties that both Parties have and had the ability prior to signing to review the final Development Agreement in its entirety and the ability to have it reviewed by their respective legal and financial counsel, or advisors of their choosing.

The Parties intend to be bound by all the terms of the Development Agreement and all its attached Exhibits, including specifically, the clauses and terms of:

- Development Schedule attached as Exhibit I
- The Guaranty and Assumption of Obligations attached as Exhibit II
- Holders of Legal or Beneficial Interest attached as Exhibit III
- The Applicable State Addendum attached as Exhibit IV

DEVELOPER:

____,

____

____

By: ____________________________________

Name: _____________________________

Title: _________________________________

DEVELOPER PERSONAL GUARANTOR	**DEVELOPER PERSONAL GUARANTOR**
____________________________	________________________________
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
___________________________________	___________________________________
Personally and Individually (Signature)	Personally and Individually (Signature)
HOME ADDRESS	HOME ADDRESS
______________________________________	_______________________________________
____	_______________________________________
TELEPHONE NO.: _______________	TELEPHONE NO_____________________
PERCENTAGE OF OWNERSHIP	PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: ____%	IN FRANCHISEE: _________%
Social Security #:_____________________	Social Security #:_____________________

IN WITNESS WHEREOF, The Franchisor hereby agrees to award the attached Development Agreement opportunity to the above listed individuals and their legal entity, as listed as the Developer, based upon the terms and conditions contained in this Development Agreement, and all its Exhibits currently numbered I through IV.

FRANCHISOR:
POCKET DELI FRANCHISING, LLC

By: ________________________________

____

Name: Allen Zarou

Title: CEO

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~~TABLE OF CONTENTS~~

POCKET DELI FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT

This Area Development Agreement is made this day of , 20___ and is by and between Pocket Deli Franchising, LLC, a Texas Limited Liability Company, having its principal place of business at 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613 (“Franchisor” or “Pocket Deli”), and ______________________________________, a ________________________________, established in the State of _______________________ and whose principal address is ____ (“Developer”).

W I T N E S S E T H :

WHEREAS, Franchisor and Developer are concurrently entering into the Initial Franchise Agreement; and

WHEREAS, Developer desires to, and has applied for the right to, develop additional Pocket Deli~~TM~~® Businesses and has applied for such a right, and Franchisor has approved Developer’s application in reliance upon all of the representations made herein and therein.

NOW, THEREFORE, Franchisor and Developer, intending to be legally bound, agree as follows:

ARTICLE 1 - DEFINITIONS

Whenever used in this Development Agreement, the following words and terms have the following meanings:

“CPI” means the Consumer Price Index, further discussed in Article 3 of this Agreement;

“Developer” means the individual or entity defined as “Developer” in the introductory paragraph of this Development Agreement;

“Development Agreement” means this Development Agreement titled “Pocket Deli Franchising, LLC Area Development Agreement” and all instruments supplemental hereto or in amendment or confirmation hereof;

“Development Fee” means paying the Franchisor the Initial ~~Fee~~Fees for Franchisee’s first Unit ~~and fifty percent (50%)~~plus the total fees of ~~each subsequent Unit’s Initial Fee~~Seventy-five Thousand ($75,000), minus any fees previously paid, which are for the total included Units listed in the ~~development schedule~~Development Schedule of this Agreement at Exhibit I, and further defined in Section 3.2~~. Franchisor offer Multi-Unit Packs options from a 3 Pack at Seventy-Five Thousand Dollars ($75,000.00), a 5 Pack at One Hundred Thousand Dollars ($100,000.00) and a 10 Pack at One Hundred and Eighty Thousand Dollars ($180,000.00);~~;

“Development Rights” means the rights granted to Developer pursuant to this Development Agreement to establish and operate Pocket Deli~~TM~~® Businesses in the Development Territory;

“Development Schedule” means the schedule attached as Exhibit I setting forth the number and the Opening Dates of Pocket Deli~~TM~~® Businesses to be established pursuant to this Development Agreement;

“Development Territory” has the meaning given to such term in Section 2.1;

“Franchise Agreement” means any Pocket Deli Franchising, LLC~~,~~ Ongoing Franchise Agreement (including all Exhibits thereto) that Franchisor has entered into with Developer;

~~**“Initial Fee”** means, upon execution of this Agreement, unless otherwise stated in the State Addendum attached, paying Franchisor an Initial Fee of $35,000.00 to secure Franchisees chosen Territory.~~

“Initial Franchise Agreement” means that certain Pocket Deli Franchising, LLC~~,~~» Franchise Agreement (including all Exhibits thereto) between Developer and Franchisor whereby Developer is granted the right to operate its first Pocket Deli~~TM~~® Business;

“Opening Date” means any date by which Developer is required to begin operations for each Pocket Deli ~~TM~~® Business, as listed in the Development Schedule;

“Social Media” means online content created by individuals and/or entities using highly accessible and scalable publishing technologies through their desktop computer, laptop computer, smart phones, mobile phones or by other means available in the future. Social Media allows individuals and/or entities to connect in the online world to form relationships for personal and business use. The definition of Social Media includes user-generated content and consumer-generated media. Social Media occurs in many different forms, including, but not limited to, Internet forums, weblogs, social blogs, wikis, podcasts, pictures and videos. Technologies for Social Media include, but are not limited to: blogs, picture-sharing, vlogs, wall-postings, e-mail, instant messaging, music-sharing, crowdsourcing, and voice over IP, to name a few. Some examples of Social Media sites and/or applications are Google Groups (reference, social networking), Wikipedia (reference), MySpace (social networking), Facebook (social networking), MouthShut.com and yelp.com (product reviews), Youmeo (social network aggregation), YouTube (social networking and video sharing), Avatars United (social networking), Second Life (virtual reality), Flickr (photo sharing), Twitter (social networking and microblogging), LinkedIn (business social media),Open Diary (blogging) and other microblogs such as Jaiku, among others. This list is not inclusive and shall mean all Social Media available now and created in the future;

"Transfer Fee" means the Fifteen Thousand ~~Dollar~~Dollars ($15,000.00) minimum Fee to secure a minimum Territory of one single Franchise Unit;

"Transferee" means the individual or entity third party buyer, who purchases this Area Development Agreement if the Developer chooses to sell.

ARTICLE 2 - DEVELOPMENT RIGHTS

Section 2.1 Grant of Development Rights

Franchisor hereby grants to Developer, and Developer undertakes and accepts, upon the terms and conditions of this Development Agreement, the Development Rights to establish and operate not less than the total number of Pocket Deli~~TM~~® Businesses at sites located within the Development Territory described as set forth on Exhibit I. We will designate Your Development Territory for each Franchise location based upon the then-current site criteria. (see also Exhibit I)

Section 2.2 Exclusivity and Retained Rights

Franchisor shall not, so long as this Development Agreement is in force and effect establish, own or operate, or license others to establish, own or operate, any Pocket Deli~~TM~~® Business within the Development Territory other than to Developer pursuant to this Development Agreement; provided

All fixed dollar amounts used in the Development Agreement and any Addenda may, in our sole discretion, be adjusted as of January 1st of each year in proportion to the changes in the Consumer Price Index (U.S Average, all items) maintained by U.S Department of Labor (or such equivalent index as may be adopted in the future) between January 1, 2017 and January of the then-current year (the "Index"). Each adjustment will be made effective as of January 1st based on the January Index, but the 1st adjustment will not be made until the 2nd January following the Agreement Date (i.e., for an Agreement Date of July 1, 2017, the 1st adjustment would be effective as of January 1, 2019). Our failure to adjust any fixed dollar amounts due to changes in the Index at any time does not constitute a waiver of our right to make future adjustments. However, we will not impose such adjustments retroactively.

Section 3.1 Initial Fees

Simultaneously with the execution of this Development Agreement, Developer shall execute the ~~Initial~~Ongoing Franchise Agreement for the first Unit and shall pay the ~~Franchise~~Initial Fees for the first Pocket Deli™® Business to be developed pursuant to this Development Agreement, if not already paid in full.

Franchisor's Initial Fees are based upon how many franchises have been awarded by the Franchisor. Franchisee must pay Franchisor an Initial Development Fee as set forth below in Section 3.2 to secure Franchisees chosen Territory, which includes the Training and ~~use of the Confidential Information~~Ongoing Support fees to purchase the additional Single Unit Franchises.

Franchisee will pay the Initial Fees, which are due with the Preliminary Agreement and the Establishment Agreement (unless modified by a State Addendum).

Section 3.2 Development Fee

Because Developer purchased additional franchise units concurrently with the first franchise unit, Developer will receive a ~~discount.~~territory, as defined in Section 2.1. . You must pay the ~~Initial~~Ongoing Franchise Fee for the first franchise unit plus 50% of the ~~Initial~~Ongoing Franchise Fee for each additional Pocket Deli business to be developed. When You open each additional franchise under the Area Development Agreement, You will pay the balance of the ~~Initial~~Ongoing Franchise Fee and execute the additional Ongoing Franchise Agreement at that time.

The ~~Initial~~Development Fee is payment, in part, for reserving the Development Territory, expenses incurred by Franchisor in furnishing assistance and services to Developer as set forth in the Development Agreement and subsequent Ongoing Franchise Agreements and for costs incurred by Franchisor, including general sales and marketing expenses, training, legal, accounting and other professional fees. The Initial Fees, as described above, is ~~not~~ uniform for all Franchisees and Developers~~.~~ and are payable in lump sum for the chosen Development package.

~~A Ten Thousand Dollar ($10,000.00)~~

There is a 20% discount ~~will be applied~~ to the ~~Development~~Initial Fee for ~~existing Franchisees who wish to enter into an Area Development Agreement as well as Internal Managers in a Franchised Business who wish to open their own location(s). An additional Twenty percent (20%) discount to the Development Fee will be applied for~~ U.S. military who would be eligible for VetFran membership.

Developer and all hired directors and managers must attend the required Ongoing Training program. Developer must pay for all travel expenses, room and board, and any related employee costs during the training program.

Opening Inventory Package

Additionally, Developer will purchase from Franchisor an opening inventory package for each franchised unit. The fee for the opening inventory package is $12,000.00.

ARTICLE 4 - DEVELOPMENT OF FRANCHISED BUSINESSS

Section 4.1 Minimum Development Obligation

Developer shall strictly follow the Development Schedule set forth in Exhibit I, as time is of the essence. By the dates set forth within the Development Schedule, Developer shall establish and operate Pocket Deli™® Businesses in the number indicated in the Development Schedule. Developer shall at all times continuously maintain in operation, pursuant to each Franchise Agreement, at least the number of Pocket Deli™® Businesses required to be operational at such time as set forth in the Development Schedule; provided, however, that such obligation does not apply to Pocket Deli™® Businesses that are closed. Franchisor may audit and inspect the Developers Business at any time it sees fit to ensure compliance.

Section 4.2 Developer May Exceed Minimum Development Obligation

During the term of this Development Agreement, Developer may, subject to the terms and conditions of this Development Agreement, develop and operate more Pocket Deli™® Businesses in the Development Territory than required by this Development Agreement; provided, however, Developer shall give Franchisor reasonable assurances Developer has the required skill, financial resources and managerial skills to perform its duties under this Development Agreement and each Franchise Agreement. Developer shall pay the full Initial Fee for each additional Pocket Deli™® Business developed in excess of the requirements of this Development Agreement, and Franchisor shall not credit any part of the Development Fee against the Initial Fee for any additional Pocket Deli™® Businesses.

Section 4.3 Exercise of Development Rights

Developer shall enter into a separate Franchise Agreement for each additional Pocket Deli™® Business established pursuant to this Development Agreement. Upon approval of the site by Franchisor, as provided in Section 5.1 of the Franchise Agreement, Franchisor shall deliver two (2) copies of the Franchise Agreement along with a copy of its then-current Disclosure Document, if required by law. Immediately upon receipt of the Disclosure Document, Developer shall return to Franchisor a signed copy of the Acknowledgment of Receipt of the Disclosure Document. After any applicable waiting periods have expired, Developer shall execute and deliver to Franchisor two (2) copies of the Franchise Agreement and shall pay the Initial Fee, as provided in Section 3.1.

Section 4.4 Conditions Precedent to Franchisor's Obligation

Franchisor shall not execute the Franchise Agreement if:

(a) Developer is not in compliance with all, or is in default of any, of its obligations under this Development Agreement or any other agreement between Franchisor and Developer; or

(b) in the case of each then existing Franchise Agreement, Developer, as Franchisee, is not in compliance with all, or is in default of any, of its obligations under any Franchise Agreement. Franchisor from the terms, conditions and economics set forth in this Development Agreement. If Developer fails to accept in writing Franchisor's written proposal within such thirty (30) day period (or if Developer fails to comply with the terms of the proposal), then Franchisor shall have the right to establish, own and operate, or license others to establish, own and operate, Pocket Deli~~™~~® Businesses in the Development Territory.

ARTICLE 6 - MARKS AND CONFIDENTIAL INFORMATION

Section 6.1 No License Under Development Agreement

Notwithstanding any provision to the contrary under this Development Agreement, this Development Agreement does not grant Developer any right to use the Marks. The right to use the Marks may only be granted by the terms of a Franchise Agreement. Developer shall not use any Mark as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modifying words, terms, designs or symbols, or in any modified form, nor may Developer use any Mark in connection with any business or activity other than the business conducted by Developer pursuant to the Franchise Agreements or in any other manner not explicitly authorized in writing by Franchisor.

Section 6.2 Confidential Information

Except as hereinafter provided, Developer shall not, during the term of this Development Agreement or at any time thereafter, whether in person, in writing or through the Internet or online Social Media sites or applications, communicate, divulge or use for the benefit of any other person or entity, any Trade Secrets or Confidential Information which may be communicated to Developer or of which Developer may learn by virtue of Developer's activities under this Development Agreement. Developer may divulge Trade Secrets and Confidential Information only to such of its employees as deemed necessary by Developer. Developer shall require its employees and all other persons designated in the Franchise Agreement to execute Non-Disclosure and Non-Competition Agreements as required by Section 7.4 of the ~~corresponding~~Initial Franchise Agreement~~ for each Single Unit opened by Developer.~~.

ARTICLE 7 - TRANSFERABILITY OF INTEREST

Section 7.1 By Franchisor

This Development Agreement and all rights herein may be assigned and transferred by Franchisor and, if so, shall be binding upon and inure to the benefit of Franchisor's successors and assigns; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor herein, and Franchisor shall have no liability for the performance of any obligations contained in this Development Agreement after the effective date of such transfer or assignment.

Section 7.2 By Developer

If the Developer chooses to sell his Area Development Agreement to a third~~-~~ party Transferee, the Developer must adhere to the following covenants, acknowledgements, requirements and conditions:

f. Developer, or the Transferee, has paid to Franchisor a transfer fee in an amount equal to Fifteen Thousand Dollars ($15,000.00) per non-developed Franchise Agreement covered under this Development Agreement upon notice to Franchisor of Developers intent to Transfer;

~~g.~~ Transferee or Developer have paid the Transfer Training Fee of Ten Thousand Dollars ($10,000.00);

~~h.~~g. the Transferee and its Internal Manager has agreed to be personally bound jointly and severally by all provisions of this Development Agreement for the remainder of its term and all holders of a legal or beneficial interest in the Transferee have agreed to personally guarantee jointly and severally the full performance thereof by Transferee;

~~i.~~h. The Transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied; ~~and~~

~~j.~~i. Developer has, and if Developer is an entity, all of the holders of a legal and beneficial interest in Developer have, executed and delivered to Franchisor a non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Initial Franchise Agreement.

Section 7.3 Public or Private Offerings

If Developer desires to make either a public or a private offering of its securities, prior to such offering and sale and prior to the public release of any statements, data or other information of any kind relating to the proposed offering of Developer's securities, Developer shall secure the written approval of Franchisor, which approval Franchisor shall be entitled to withhold in its sole discretion. Developer shall secure Franchisor's prior written approval of any and all press releases, news releases and any and all other publicity, the primary purpose of which is in the public interest in its offering. Only to the extent that written approval has been given by Franchisor may Developer proceed to file, publish, issue, release and make public any data, material or information regarding its securities offering. Any review by Franchisor is solely for its own information, and its approval shall not constitute any kind of authorization, acceptance, agreement, endorsement, approval or ratification of the same, either express or implied; and Developer shall make no oral or written notice of any kind whatsoever indicating or implying that Franchisor or its Affiliates have any interest in or relationship whatsoever to the proposed offering other than Franchisor acting as Franchisor. Developer shall indemnify and hold harmless Franchisor and its Affiliates, and their owners, directors, officers, managers, members, collaterals, attorneys, agents, employees, successors and assigns, from all claims, demands, costs, fees, charges, liabilities or expenses (including attorneys' fees) of any kind whatsoever arising from Developer's offering or information published or communicated and any actions taken with regard thereto.

Section 7.4 Franchisor's Right of First Refusal

If Developer or its owners shall at any time determine to sell, assign, transfer, convey, give away or encumber the Development Rights under this Development Agreement or any of their respective

1320 Arrow Point Drive, Suite 501-90
Cedar Park, TX 78613

With a copy to:

Shelton Law & Associates, Franchise Attorneys At Law
c/o Pocket Deli Franchising, LLC
~~2377 Gold Meadow Way~~1320 Arrow Point Drive, Ste~~. 100~~ 501
~~Gold River, CA 95670~~Cedar Park, TX 78613

Section 12.5 Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Developer of five percent (5%) or greater shall be required to execute, as of the date of this Development Agreement, the Guaranty and Assumption of Obligations attached as Exhibit II.

Section 12.6 Approvals

Whenever this Development Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor for its approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Developer may rely, and assumes no liability or obligation to Developer or any third party, by providing any waiver, approval, advice, consent or services to Developer in connection with this Development Agreement, or by reason of any neglect, delay or denial of any request for approval.

Section 12.7 Entire Agreement

~~The~~ Subject to Section 12.7 of this Development Agreement, the Exhibits attached hereto and thus made a part hereof and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between Franchisor and Developer concerning the subject matter hereof, and shall supersede all prior agreements. Except for any representation by Franchisor contained herein, no other representation, oral or otherwise, has induced Developer to execute this Development Agreement. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. There are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein or within the Initial Franchise Agreement which are of any force or effect with respect to the matters set forth in or contemplated by this Development Agreement or otherwise. No amendment, change or variance from this Development Agreement shall be binding on either party unless executed in writing by both parties.

Section 12.8 Severability and Modification

Except as noted below, each Section, paragraph, part, term and provision of this Development Agreement shall be considered severable. If any Section, paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, Sections, paragraphs, parts, terms and provisions of this Development Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid Sections, paragraphs, parts, terms or provisions shall be deemed not part of this Development Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Development Agreement, Franchisor has the right to, at its option, terminate this Development Agreement.

any respect, the fact there exists another obligation or provision relating to the same subject matter (regardless of the relative levels of specificity), which the party has not breached shall not detract from or mitigate the fact the party is in breach of the first obligation or other provision contained in this Development Agreement.

Section 14.8 Gender

Whenever the context of this Development Agreement requires, the masculine gender includes the feminine or neuter and vice versa, and the singular number includes the plural.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Development Agreement, as of the date of their signatures on the ~~date set forth in the introductory paragraph~~Summary Page of this Development Agreement.

~~**POCKET DELI FRANCHISING, LLC**~~	~~**DEVELOPER**~~: ______________________
~~By:~~______________________	~~By:~~______________________
~~Print Name: Allen Zarou~~	~~Print Name:~~ ______________________
~~Title: CEO~~	~~Title:~~ ______________________
	______________ [~~**or, if an Individual**~~]
	______________________
	~~Signed:~~ ______________________
	~~Print Name:~~ ______________________

~~AREA DEVELOPMENT AGREEMENT ACKNOWLEDGMENT~~

~~STATE OF ___________________~~

~~COUNTY OF _________________~~

~~This instrument was acknowledged before me on __________, 20___, by, ______________ who personally appeared before me at the time of notarization.~~

~~NOTARY PUBLIC - STATE OF _________________~~

~~My Commission Expires:~~

~~Sign ____________________________~~

~~Print ____________________________~~

~~Personally Known _____ OR Produced Identification _____~~

~~Type of Identification Produced: ____~~

~~AREA DEVELOPMENT AGREEMENT ACKNOWLEDGMENT~~

~~STATE OF ___________________~~

~~COUNTY OF _________________~~

~~This instrument was acknowledged before me on __________, 20___, by, Allen Zarou, CEO of Pocket Deli Franchising, LLC, who personally appeared before me at the time of notarization.~~

~~NOTARY PUBLIC - STATE OF _________________~~

~~My Commission Expires:~~

~~Sign ____________________________~~

~~Print ____________________________~~

~~Personally Known _____ OR Produced Identification _____~~

~~Type of Identification Produced: ____~~

EXHIBIT I TO THE
AREA DEVELOPMENT AGREEMENT

Development Territory (Search Area)

For paying the total Development Fee of Seventy-five Thousand ($75,000), Developer has suggested, and Franchisor has approved the following non-exclusive Development Territory:

____

Developer agrees that they shall be opened for business within the Granted Territory by the date indicated in Column III below and operating at all times thereafter during the term of this Agreement not less than the cumulative minimum number of Pocket Deli Units listed in Column IV of this Exhibit I.

~~"Effective Date" of Execution~~ ________________/______/__________

~~I~~ ~~Unit~~ ~~Sequence~~	~~II~~ ~~Fee Paid to Franchisor~~ ~~Per unit for Area~~ ~~Development Rights~~	~~III~~ ~~Latest date for~~ ~~Commencement of~~ ~~Each such unit~~	~~IV~~ ~~Cumulative Minimum~~ ~~Number of units~~ ~~In Operation~~

SAMPLE DEVELOPMENT SCHEDULE

Developer agrees that they shall be opened for business within the Granted Territory by the date indicated in Column ~~III~~II below and operating at all times thereafter during the term of this Agreement not less than the cumulative minimum number of Pocket Deli Units listed in Column ~~IV~~III of this Exhibit I:

"Effective Date" of Execution: ____/_____/_____

I Unit Sequence	~~II~~ ~~Fee Paid to Franchisor~~ ~~Per unit for Area~~ ~~Development Rights~~	~~III~~ II Latest date for Commencement of Each such unit	~~IV~~ III Cumulative Minimum Number of units In Operation
1st Unit	~~$35,000.00~~	December 1, 2020~~2019~~	1
2nd Unit	~~A dollar amount equal to 50% of the fee paid for the first unit~~	December 1, ~~2020~~2021	2
3rd Unit	~~A dollar amount equal to 50% of the fee paid for the first unit~~	December 1, ~~2021~~2022	3

IN WITNESS WHEREOF, this Development Schedule has been duly accepted, executed and delivered by each of the individuals, and guarantors listed on the Summary Page to this Development Agreement, intending to be legally bound hereby, on the Effective Date.

EXHIBIT II TO THE AREA DEVELOPMENT AGREEMENT
GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is given this ______ day of ________________, 20___, by ____.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith ("Agreement") by Pocket Deli Franchising, LLC ("Franchisor"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that ____ ("Developer") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) shall personally be bound by, and personally liable for the breach of each and every provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right he may have to require that an action be brought against Developer or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (a) his direct and immediate liability under this Guaranty shall be joint and several; (b) he shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each of the undersigned further consents and agrees it shall be a party to any of the actions or claims between Franchisor and Developer for injunctive relief or specific performance or relating to the ownership of any of Franchisor's Marks or the unauthorized use or disclosure of Franchisor's Trade Secrets or Confidential Information, or which are to be resolved by non-binding mediation as set forth in the Agreement. Each of the undersigned also agrees to be personally bound by the waiver of jury trial as set forth in Section 23.6 of the ~~Initial~~Ongoing Franchise Agreement.

Whenever the context of this Guaranty requires, the masculine gender includes the feminine or neuter and vice versa, and the singular number includes the plural.

Capitalized terms not defined herein shall have the meaning set forth in the Area Development Agreement or the ~~Initial~~Ongoing Franchise Agreement.

IN WITNESS WHEREOF, this Guaranty has been duly executed and delivered by each of the ~~undersigned~~individuals, and guarantors listed on the Summary Page to this Development Agreement, intending to be legally bound hereby, on the ~~date set forth in the introductory paragraph of this Guaranty~~Effective Date.

~~**PERSONAL GUARANTOR**~~

____
~~Personally and Individually (Printed Name)~~

____
~~Personally and Individually (Signature)~~

~~HOME ADDRESS~~

____
____

~~TELEPHONE NO.: __________________~~
~~PERCENTAGE OF OWNERSHIP~~
~~IN FRANCHISEE: ____%~~
~~Social Security #:______________________~~

~~**PERSONAL GUARANTOR**~~

____
~~Personally and Individually (Printed Name)~~

____
~~Personally and Individually (Signature)~~

~~HOME ADDRESS~~

____
____

~~TELEPHONE NO.:__________________~~
~~PERCENTAGE OF OWNERSHIP~~
~~IN FRANCHISEE:____%~~
~~Social Security #:______________________~~

~~**PERSONAL GUARANTOR**~~

____
~~Personally and Individually (Printed Name)~~

____
~~Personally and Individually (Signature)~~

~~HOME ADDRESS~~

____
____
____

~~Social Security #:_____________~~
~~TELEPHONE NO.:__________________~~
~~PERCENTAGE OF OWNERSHIP~~
~~IN DEVELOPER:_____%~~

~~**PERSONAL GUARANTOR**~~

____
~~Personally and Individually (Printed Name)~~

____
~~Personally and Individually (Signature)~~

~~HOME ADDRESS~~

____
____
____

~~Social Security #:_____________~~
~~TELEPHONE NO.:__________________~~
~~PERCENTAGE OF OWNERSHIP~~
~~IN DEVELOPER:_____%~~

~~**PERSONAL GUARANTOR**~~

____
~~Personally and Individually (Printed Name)~~

____
~~Personally and Individually (Signature)~~

~~HOME ADDRESS~~

____
____
____

~~Social Security #:_____________~~
~~TELEPHONE NO.:__________________~~
~~PERCENTAGE OF OWNERSHIP~~
~~IN DEVELOPER:_____%~~

~~**PERSONAL GUARANTOR**~~

____
~~Personally and Individually (Printed Name)~~

____
~~Personally and Individually (Signature)~~

~~HOME ADDRESS~~

____
____
____

~~Social Security #:_____________~~
~~TELEPHONE NO.:__________________~~
~~PERCENTAGE OF OWNERSHIP~~
~~IN DEVELOPER:_____%~~

~~*** NOTE ALL OWNERS OF 5% OR MORE INTEREST IN THE LEGAL ENTITY MUST FILL OUT THIS PAGE.**~~

EXHIBIT III TO THE AREA DEVELOPMENT AGREEMENT
ALL HOLDERS OF 5% OR MORE LEGAL OR BENEFICIAL INTEREST IN DEVELOPER; OFFICERS, DIRECTORS AND MANAGERS

Holders of Legal or Beneficial Interest:

~~Name:~~ ______________________
~~Position/Title:~~ ______________________
~~Home Address:~~ ______________________
____
~~Telephone No.:~~ ______________________
~~E-mail address:~~ ______________________
~~Percentage of ownership: ____%~~

~~Name:~~ ______________________
~~Position/Title:~~ ______________________
~~Home Address:~~ ______________________
____
~~Telephone No.:~~ ______________________
~~E-mail address:~~ ______________________
~~Percentage of ownership ____%~~

The Holders of 5% or more interest are listed on the Summary Page of this Development Agreement.

Officers, Directors and Managers:

~~Name:~~ ______________________
~~Position/Title:~~ ______________________
~~Home Address:~~ ______________________
____
~~Telephone No.:~~ ______________________
~~E-mail address:~~ ______________________

~~Name:~~ ______________________
~~Position/Title:~~ ______________________
~~Home Address:~~ ______________________
____
~~Telephone No.:~~ ______________________
~~E-mail address:~~ ______________________

Developer acknowledges that they must submit, within 24 hours, a training request for all Managers, Director and Officers that will work within or have ownership or direction over the Development Business. The information at minimum that must be provided is:

Name: ______________________
Position/Title: ______________________
Home Address: ______________________
____
____
Telephone No.: ______________________
E-mail address: ______________________

EXHIBIT G

STATE ADDENDUMS

(ADDITIONAL INFORMATION REQUIRED BY CERTAIN STATES)

ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code 31000-31516, and the California Franchise Relations Acts, Cal. Bus. & Prof. Code 20000-20043, the Franchise Disclosure Document for Pocket Deli Franchising, LLC for use in the State of California shall be amended as follows:

1. 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;

2. Section 31125 of the California Corporation Code requires Us to give You a disclosure document in a form approved by the Department of Business Oversight before asking You to consider a material modification of an existing Ongoing Franchise Agreement;

3. In accordance with California Rule 310.114.1(c)(3), the Franchisor, nor any person or franchise broker listed in Item 2 of the 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.

~~4. Due to the Franchisor's financial condition, payment of initial franchise fees will be deferred until the franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. Franchisor has taken steps to alleviate its financial condition by obtaining a Sect. 31110 Surety Bond.~~

~~5.~~4. The ongoing franchise agreement requires You to execute a general release of claims upon renewal or transfer of the ongoing franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043);

~~6.~~5. The California Business and Professions Code 20000 through 20043 provide rights to the Franchisee concerning termination, transfer or non-renewal of a franchise. If the ongoing franchise agreement contains a provision that is inconsistent with the law, the law will control.

~~7.~~6. The Ongoing Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.);

~~8.~~7. The Ongoing Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law;

~~9.~~8. The Ongoing Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable;

~~10.~~9. The Ongoing Franchise Agreement requires application of the laws and forum of the State of Williamson County, TX This provision may not be enforceable under California law;

10. The Ongoing Franchise Agreement requires mediation. The mediation will occur only in the State of Williamson County, TX. Costs will be borne equally by both parties. Prospective Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of ~~a~~an ongoing franchise agreement restricting venue to a forum outside the State of California;

~~11.~~

~~12.~~11. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Ongoing Franchise Agreement as permitting or requiring maximum price limits.

~~13.~~12. Neither Pocket Deli Franchising, LLC, *any* person or franchise broker in Item 2 of the UFDD is subject to any currently effective order or 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 these persons from membership in such association or exchange; and

~~14.~~13. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFRONIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST:	**POCKET DELI FRANCHISING, LLC:**
By: ______________________________	**By:** ____________________________________
Print Name: ________________________	**Print Name: Allen Zarou**
Title: ______________________________	**Title: CEO**
ATTEST/WITNESS:	**FRANCHISEE / DEVELOPER:**
By: ______________________________	**By:** ____________________________________
Print Name: ________________________	**Print Name:** ______________________________

ADDENDUM REQUIRED BY THE STATE OF CONNECTICUT~~EXHIBIT H~~

In recognition of the requirements of the Connecticut Business Opportunity Investment Act, Sections 36(b)-60 *et seq* and Conn. Gen. Stat. Ann. 42-133(e) to 42-133(h), the Franchise Disclosure Document for Pocket Deli Franchising, LLC, for use in the State of Connecticut shall be amended as follows:

1. The Connecticut statute 42-133(f) requires that a copy of the Franchisor's Intent not to renew be given six months prior to the expiration of the current Ongoing Franchise Agreement, unless the alleged grounds are for voluntary abandonment by the Franchisee of the franchise relationship;

2. Pursuant to Connecticut statute 42-133(f)(c) upon termination of any franchise the Franchisee shall be allowed fair and reasonable compensation by the Franchisor for the Franchisee's inventory, supplies, equipment and furnishings purchased by the Franchisee from the Franchisor or its approved sources under the terms of the franchise or any ancillary or collateral agreement; however no compensation shall be allowed for personalized items which have no value to the Franchisor;

3. No franchise entered into or renewed shall be for a term of less than three years and for successive terms of not less than three years thereafter unless cancelled, terminated or not renewed; and

4. Any waiver of the rights of a Franchisee under sections 42-133(f) or 42-133(g) which is contained in the Ongoing Franchise Agreement shall be void.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST: ______________________	**POCKET DELI FRANCHISING, LLC:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name: Allen Zarou**
Title: ______________________	**Title: CEO**
ATTEST/WITNESS: ______________________	**FRANCHISEE / DEVELOPER:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name:** ______________________
Title: ______________________	**Title:** ______________________

ADDENDUM REQUIRED FOR HAWAII

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.* the Franchise Disclosure Document for Pocket Deli Franchising, LLC, is amended as follows:

1. These franchises have been filed under the Franchise Investment Law of the State of Hawaii. Filing does not constitute approval, recommendation of endorsement by the Director of Commerce and Consumer Affairs or a finding by the Director of Commerce and Consumer Affairs that the information provided herein is true, complete and not misleading;

2. The Franchise Investment Law makes it unlawful to offer or sell any franchise in this state without first providing to the prospective Franchisee, or subfranchisor at least seven days prior to the execution by the prospective Franchisee, of any binding franchise or other agreement, or at least seven days prior to the payment of any consideration by the Franchisee, or subfranchisor, whichever occurs first, a copy of the Disclosure Document, together with a copy of all proposed agreements relating to the sale of the franchise;

3. The Hawaii Franchise Investment Law provides rights to Franchisee concerning non-renewal, termination and transfer of the Ongoing Franchise Agreement. If the Agreement, and more specifically Articles 4, 16, 17 and 18 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control;

4. Articles 4 and 18 require Franchisee to sign a general release as a condition of renewal and transfer of the franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law;

5. Section 16.2, which terminates the Ongoing Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*);

6. This Disclosure Document contains a summary only of certain material provisions of the Ongoing Franchise Agreement. The contract or agreement should be referred to for a statement of all rights, conditions, restrictions and obligations of both the Franchisor and the Franchisee; and

7. Registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

[THIS AREA HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST:	**POCKET DELI FRANCHISING, LLC:**
By: ______________________________	**By: ____________________________________**
Print Name: ________________________	**Print Name: Allen Zarou**
Title: _____________________________	**Title: CEO**

ATTEST/WITNESS:	**FRANCHISEE / DEVELOPER:**
By: ______________________________	**By: ____________________________________**
Print Name: ________________________	**Print Name: ____________________________**
Title: _____________________________	**Title: _________________________________**

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, III. Comp. Stat. 705/1 to 705/44 the Franchise Disclosure Document for Pocket Deli Franchising, LLC, for use in the State of Illinois shall be amended to include the following:

Cover Page & Item 17, Additional Disclosures. The following statements are added to the cover page and Item 17:

The Illinois Franchise disclosure Act provides that any provision in the Ongoing Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

The Illinois Franchise Disclosure Act requires that Illinois law apply to any claim arising under the Illinois Franchise Disclosure Act.

Each provision of the Additional Disclosures shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987, with respect to such provision, are met independently, without reference to this Addendum. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

[THIS AREA HAS BEEN INTENTIONALLY LEFT BLANK]

AMENDMENT TO THE POCKET DELI FRANCHISING, LLC ONGOING FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

This Amendment to the Pocket Deli Ongoing Franchise Agreement dated _______________ between Pocket Deli Franchising, LLC, ("Franchisor") and ____ ("Franchisee") is entered into simultaneously with the execution of the Ongoing Franchise Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Ongoing Franchise Agreement. This Amendment is being executed because: a) the offer or sale of the franchise to Franchisee was made in the State of Illinois; b) Franchisee is a resident of the State of Illinois; and/or c) the franchise will be located or operated in the State of Illinois.

2. Section 22.6 is deleted and replaced with the following:

   This Agreement, the documents referred to herein, and the Exhibits hereto constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and shall supersede all prior agreements, no other representations (except for or other than those contained in the disclosure document) having induced Franchisee to execute this Agreement.

3. The following sentence is added to the end of Section 23.1:

   Notwithstanding the foregoing, the Illinois Franchise Disclosure Act shall govern this Agreement.

4. The following sentence is added to the end of Section 23.2:

   Section 4 of the Illinois Franchise Disclosure Act provides that any provision in this Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

5. The following sentence is added at the end of Section 23.4:

   Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: 3 years of the violation; 1 year after Franchisee becomes aware of the underlying facts or circumstances; or 90 days after delivery to Franchisee of a written notice disclosing the violation.

6. The following sentence is added to the end of Section 23.2:

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

7. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Ongoing Franchise Agreement.

8. Except as expressly modified by this Amendment, the Ongoing Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST:	**POCKET DELI FRANCHISING, LLC:**
By: ____________________	**By:** ____________________
Print Name: ____________________	**Print Name: Allen Zarou**
Title: ____________________	**Title: CEO**

ATTEST/WITNESS:	**FRANCHISEE:**
By: ____________________	**By:** ____________________
Print Name: ____________________	**Print Name:** ____________________
Title: ____________________	**Title:** ____________________

ADDENDUM REQUIRED BY THE STATE OF INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, Indiana Code 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code 23-2-2.7-1 to 23-2-2.7-7, the Franchise Disclosure Document for Pocket Deli Franchising, LLC for use in the State of Indiana shall be amended as follows:

1. The Indiana Deceptive Franchise Practices Act requires that Indiana law govern any cause of action arising under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act and prohibits limiting litigation brought for breach of the agreement in any manner whatsoever;
2. Item 12, "Territory," shall be amended by the addition of the following paragraph: We will not compete unfairly with You within a reasonable area;
3. The Indiana Deceptive Franchise Practices Act makes it unlawful to require a Franchisee to covenant not to compete with Pocket Deli Franchising, LLC for a period longer than three (3) years or in an area of reasonable size upon termination of or failure to renew the franchise;
4. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law, Indiana Code 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code 23-2-2.7-1 to 23-2-2.7-7, are met independently without reference to this Addendum to the Disclosure Document;
5. Item 17p (your death or disability) of the Disclosure Document and Sections 16.2 and 18.6 of the Ongoing Franchise Agreement is amended to provide for a period of 180 days following disapproval to sell the Pocket Deli Franchising, LLC franchise to an assignee acceptable to Pocket Deli Franchising, LLC; and
6. Item 17v (choice of forum) of the Disclosure Document and Section 23.2 of the Ongoing Franchise Agreement (Exhibit G) is amended to provide that litigation may occur in the State of Indiana.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST:	**POCKET DELI FRANCHISING, LLC:**
By: ____________________	**By:** ____________________
Print Name: ____________________	**Print Name: Allen Zarou**
Title: ____________________	**Title: CEO**

ATTEST/WITNESS:	**FRANCHISEE / DEVELOPER:**
By: ____________________	**By:** ____________________
Print Name: ____________________	**Print Name:** ____________________
Title: ____________________	**Title:** ____________________

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

Item 17, Additional Disclosures. The following statements are added to Item 17:

The Ongoing Franchise Agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law.

Item 17(c) is amended to include: The General Release required as a condition of renewal, sale, and/or assignment/transfer *shall not apply* to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17(u), (v) and (w) are amended to include: A Franchisee in Maryland may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

[THIS AREA HAS BEEN INTENTIONALLY LEFT BLANK]

AMENDMENT TO THE POCKET DELI FRANCHISING, LLC ONGOING FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

This Amendment to the POCKET DELI FRANCHISING, LLC Ongoing Franchise Agreement dated ________________ between POCKET DELI FRANCHISING, LLC, ("Franchisor") and ____ ("Franchisee") is entered into simultaneously with the execution of the Ongoing Franchise Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Ongoing Franchise Agreement. This Amendment is being executed because: a) the offer or sale of the franchise to Franchisee was made in the State of Maryland; b) Franchisee is a resident of the State of Maryland; and/or c) the franchise will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Initial Fees, Section 3.1:

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

3. The following is added to the end of Renewals, Section 4.2:

   The general release required as a condition of renewal, sale, and/or transfer/assignment shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. The following sentence is added to the end of Choice of Law, Section 23.1:

   Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern this Agreement.

6. The following sentence is added to the end of Consent to Jurisdiction, Section 23.2:

   A Franchisee in Maryland may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. The following sentence is added at the end of Limitations of Claims, Section 23.4:

   Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

8. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Ongoing Franchise Agreement.

9. Except as expressly modified by this Amendment, the Ongoing Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST:	**POCKET DELI FRANCHISING, LLC:**
By: ______________________________	**By: ____________________________________**
Print Name: ________________________	**Print Name: Allen Zarou**
Title: ____________________________	**Title: CEO**

ATTEST/WITNESS:	**FRANCHISEE:**
By: ______________________________	**By: ____________________________________**
Print Name: ________________________	**Print Name: ____________________________**
Title: ____________________________	**Title: _________________________________**

AMENDMENT TO THE POCKET DELI FRANCHISING, LLC FRANCHISE DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF MARYLAND

This Amendment to the Pocket Deli Franchising, LLC Ongoing Franchise Agreement dated ________________ between Pocket Deli Franchising, LLC, ("Franchisor") and ____ ("Franchisee") is entered into simultaneously with the execution of the Ongoing Franchise Agreement.

10. The provisions of this Amendment form an integral part of, and are incorporated into, the Ongoing Franchise Agreement. This Amendment is being executed because: a) the offer or sale of the franchise to Franchisee was made in the State of Maryland; b) Franchisee is a resident of the State of Maryland; and/or c) the franchise will be located or operated in the State of Maryland.

11. The following sentence is added to the end of Transfer by Franchisee to a Third Party, Section 18.2:

    This Section is not intended to, nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

12. The following sentence is added to the end of Transfer to a Controlled Entity, Section 18.3:

    This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

13. The following sentence is added to the end of Choice of Law, Section 23.1:

    Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern this Agreement.

14. The following sentence is added to the end of Consent to Jurisdiction, Section 23.2:

    A Franchisee in Maryland may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

15. The following sentence is added at the end of Limitations of Claims, Section 23.4:

    Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

16. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Ongoing Franchise Agreement.

17. Except as expressly modified by this Amendment, the Ongoing Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST:	**POCKET DELI FRANCHISING, LLC:**
By: ______________________	**By: ______________________**
Print Name: ______________________	**Print Name: Allen Zarou**
Title: ______________________	**Title: CEO**

ATTEST/WITNESS:	**FRANCHISEE:**
By: ______________________	**By: ______________________**
Print Name: ______________________	**Print Name: ______________________**
Title: ______________________	**Title: ______________________**

ADDENDUM REQUIRED BY THE STATE OF MICHIGAN

In recognition of the requirements of the Michigan Franchise Investment Law, which prohibits certain unfair provisions that are sometimes in franchise documents, if any of the below provisions are contained within the Franchise Disclosure Document for Pocket Deli Franchising, LLC, for use in the State of Michigan those provisions are void and cannot be enforced against You:

1. A prohibition of your right to join an association of Franchisees;

2. A requirement that You assent to a release, assignment, novation, waiver or estoppel that deprives You of rights and protections provided in this act. This shall not preclude You, after entering into a Ongoing Franchise Agreement, from settling any and all claims;

3. A provision that permits Us to terminate a franchise prior to the expiration of this term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Ongoing Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure;

4. A provision that permits Us to refuse to renew a franchise without fairly compensating You by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to Us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than 5 years, and (b) You are prohibited by the Ongoing Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or You do not receive at least 6 months advance notice of our intent not to renew the franchise;

5. A provision that permits Us to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision;

6. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the Franchisee from entering into an agreement, at the time of arbitration or litigation, to conduct arbitration or litigation at a location outside this state;

7. A provision that permits Us to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent Us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

   a. The failure of the proposed Transferee to meet our then-current reasonable qualifications or standards;

   b. The fact that the proposed Transferee is our or subfranchisor's competitor;

   c. The unwillingness of the proposed Transferee to agree in writing to comply with all lawful obligations;

   d. Your or proposed Transferee's failure to pay Us any sums or to cure any default in the Ongoing Franchise Agreement existing at the time of the proposed transfer;

8. A provision that requires You to resell to Us items that are not uniquely identified with Us. This subdivision does not prohibit a provision that grants Us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants Us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in subdivision (C);

9. A provision that permits Us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to You unless a provision has been made for providing the required contractual services;

10. If our most recent financial statements are unaudited and show a net worth of less than $100,000.00, You may request that We arrange for the escrow of initial investment and other funds You paid until our obligations, if any, to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At our option, a surety bond may be provided in place of escrow; and

11. THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL. Any questions regarding this notice should be directed to: State of Michigan, Consumer Protection Division, Attention: Franchise Bureau, 670 Law Building, Lansing, MI 48913, (517) 373-7117.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST:	**POCKET DELI FRANCHISING, LLC:**
By: ____________________	**By:** ____________________
Print Name: ____________________	**Print Name: Allen Zarou**
Title: ____________________	**Title: CEO**
ATTEST/WITNESS:	**FRANCHISEE / DEVELOPER:**
By: ____________________	**By:** ____________________
Print Name: ____________________	**Print Name:** ____________________
Title: ____________________	**Title:** ____________________

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules 2860.0100 through 2860.9930, the Franchise Disclosure Document for Pocket Deli Franchising, LLC, for use in the State of Minnesota shall be amended as follows:

1. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400J prohibit Us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction;

2. With respect to franchises governed by Minnesota law, the Pocket Deli Franchising, LLC will comply with Minnesota Statutes Sec. 80C.14, Subs, 3,4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Ongoing Franchise Agreement;

3. Minnesota Rule 2860.4400D prohibits Us from requiring You to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01-80C.22; and

4. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this Addendum to the Disclosure Document.

[THIS AREA HAS BEEN INTENTIONALLY LEFT BLANK]

AMENDMENT TO THE ONGOING FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA

This Amendment to the Pocket Deli Franchising, LLC Ongoing Franchise Agreement dated ________________ between Pocket Deli Franchising, LLC, ("Franchisor") and ____ ("Franchisee") is entered into simultaneously with the execution of the Ongoing Franchise Agreement.

1. The provisions of this Amendment form an integral part of, and are incorporated into, the Ongoing Franchise Agreement. This Amendment is being executed because: a) the offer or sale of the franchise to Franchisee was made in the State of Minnesota; b) Franchisee is a resident of the State of Minnesota; and/or c) the franchise will be located or operated in the State of Minnesota.

2. Section 22.6 is deleted and replaced with the following:

   This Agreement, the documents referred to herein, and the Exhibits hereto constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and shall supersede all prior agreements, no other representations (except for or other than those contained in the disclosure document) having induced Franchisee to execute this Agreement.

3. The following sentence is added to the end of Section 23.1:

   Notwithstanding the foregoing, the Minnesota Franchise Act shall govern this Agreement.

4. The following sentence is added to the end of Section 18.2:

   Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01-80C.22.

5. The following sentence is added to the end of Sections 16.2 and 18.2:

   With respect to franchises governed by Minnesota law, the Franchisor will comply with Minnesota Statutes Sec. 80C.14, Subs, 3, 4, and 5 which require, (except in certain specified cases) (1) that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Ongoing Franchise Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

6. The following sentence is added at the end of Section 18.2:

   Under Minnesota Rule 2860.4400J, certain liquidated damages clauses are unenforceable.

7. The following sentence is added to the end of Section 23.2:

Minnesota Statute §80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Agreement can abrogate or reduce Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The Franchisee cannot consent to the Franchisor obtaining injunctive relief. The Franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

8. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Ongoing Franchise Agreement.

9. Except as expressly modified by this Amendment, the Ongoing Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST: ______________________	**POCKET DELI FRANCHISING, LLC:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name: Allen Zarou**
Title: ______________________	**Title: CEO**

ATTEST/WITNESS: ______________________	**FRANCHISEE:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name:** ______________________
Title: ______________________	**Title:** ______________________

AMENDMENT TO THE ONGOING FRANCHISE AGREEMENT AS REQUIRED BY THE STATE OF NEW YORK

This Amendment to the Pocket Deli Franchising, LLC Ongoing Franchise Agreement dated ________________ between Pocket Deli Franchising, LLC, ("Franchisor") and ____ ("Franchisee") is entered into simultaneously with the execution of the Ongoing Franchise Agreement.

In recognition of the requirements of the General Business Law of the State of New York, Article 3, Section 687 and Article 33, Sections 680-695, and the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, the Franchise Disclosure Document for Pocket Deli Franchising, LLC, for use in the State of New York shall be amended as follows:

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

> **INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND TO THE NEW YORK STATE ATTORNEY GENERAL AT 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NY 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

> A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
>
> B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
>
> C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer"**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee"**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor"**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Ongoing Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST: ______________________________	**POCKET DELI FRANCHISING, LLC-:**
By: ______________________________	**By:** ______________________________
Print Name: ______________________________	**Print Name: Allen Zarou**
Title: ______________________________	**Title: CEO**

ATTEST/WITNESS: ______________________	**FRANCHISEE / DEVELOPER:**
By: ______________________________	**By:** ______________________________
Print Name: ______________________________	**Print Name:** ______________________________
Title: ______________________________	**Title:** ______________________________

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code 51-19-01 through 51-19-17, and the policies of the Office of the State of North Dakota Securities Commission, the Franchise Disclosure Document for Pocket Deli Franchising, LLC for use in the State of North Dakota shall be amended as follows:

1. Item 17(r), (non-competition covenants), of the Disclosure Document, Sections 2.5, and 17.2 and Exhibit 2 of the Ongoing Franchise Agreement disclose the existence of certain covenants restricting competition to which the Franchisee must agree. The Securities Commissioner of the State of North Dakota has held that covenants restricting competition, contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Covenants not to compete such as those referenced above are generally considered unenforceable in the State of North Dakota;

2. Item 17(v), (choice of forum) of the Disclosure Document and Section 23.2, of the Ongoing Franchise Agreement provide that Franchisees must consent to the jurisdiction of the District Court of Williamson County, TX. The Securities Commissioner of the State of North Dakota has held that requiring Franchisees to consent to jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Investment Law, therefore, this provision is void and of no effect in the State of North Dakota;

3. Item 17(w), (choice of law) of the Disclosure Document and Section 23.1, of the Ongoing Franchise Agreement provide that Williamson County, TX law governs the Ongoing Franchise Agreement. The Securities Commissioner of the State of North Dakota has held that Ongoing Franchise Agreements which specify that they are to be governed by the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, therefore, this provision is void and of no effect in the State of North Dakota;

4. Sections 23.2 and 23.7 of the Ongoing Franchise Agreement provides that Franchisees must consent to the jurisdiction of the Williamson County, TX. The Securities Commissioner of the State of North Dakota has held that requiring Franchisees to consent to jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Investment Law. The site of mediation or arbitration shall be agreeable to all parties; therefore, this provision is amended to provide that the state of mediation or arbitration shall be agreeable to all parties;

5. Section 23.5 of the Ongoing Franchise Agreement stipulates that the Franchisee shall pay all costs and expenses incurred by the Pocket Deli Franchising, LLC in enforcing the Ongoing Franchise Agreement. The Securities Commissioner of the State of North Dakota has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the referenced section of the Ongoing Franchise Agreement is amended to provide that the prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney fees;

6. Section 23.5 of the Ongoing Franchise Agreement requires the Franchisee to consent to a waiver of exemplary and punitive damages. The Securities Commissioner of the State of North Dakota has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, therefore, this portion of Section 23.5 is void and of no effect in the State of North Dakota;

7. Section 17.9 of the Ongoing Franchise Agreement stipulates that the Franchisee shall pay

liquidated damages to Pocket Deli Franchising, LLC if the Ongoing Franchise Agreement in terminated early. The Securities Commissioner of the State of North Dakota has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the referenced section of the Ongoing Franchise Agreement is amended to provide that Pocket Deli Franchising, LLC is entitled to recover all costs and expenses, including attorney fees allowable by law;

8. Section 23.6 of the Ongoing Franchise Agreement stipulates that the Franchisee shall agree to a Waiver of Jury Trial. The Securities Commissioner of the State of North Dakota has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the referenced section of the Ongoing Franchise Agreement is void and of no effect in the State of North Dakota;

9. Section 4.2 of the Ongoing Franchise Agreement requires the Franchisee to sign a general release upon renewal of the Ongoing Franchise Agreement. The Securities Commissioner of the State of North Dakota has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the referenced section of the Ongoing Franchise Agreement is void and of no effect in the State of North Dakota;

10. Section 23.4 of the Ongoing Franchise Agreement requires a limitation of Claims. The Securities Commissioner of the State of North Dakota has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the referenced section of the Ongoing Franchise Agreement is amended to provide that the statute of limitations under North Dakota law applies; and

11. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently referenced to this Addendum to the Disclosure Document

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST:	**POCKET DELI FRANCHISING, LLC:**
By: ______________________	**By: ______________________**
Print Name: ______________	**Print Name: Allen Zarou**
Title: ___________________	**Title: CEO**
ATTEST/WITNESS:	**FRANCHISEE / DEVELOPER:**
By: ______________________	**By: ______________________**
Print Name: ______________	**Print Name: ______________**

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, 19-28.1-1 through 19-28.1-34, the Franchise Disclosure Document of Pocket Deli Franchising, LLC for use in the State of Rhode Island shall be amended as follows:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by Section 19-28.1-14 of the Rhode Island Franchise Investment Act which provides that "A provision in an Ongoing Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act";"; and
2. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act 19-28.1-1 through 19-28.1-34, are met independently without reference to this Addendum to the Disclosure Document.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST:	**POCKET DELI FRANCHISING, LLC:**
By: ______________________________	**By:** ____________________________________
Print Name: ________________________	**Print Name: Allen Zarou**
Title: ______________________________	**Title: CEO**
ATTEST/WITNESS:	**FRANCHISEE / DEVELOPER:**
By: ______________________________	**By:** ____________________________________
Print Name: ________________________	**Print Name:** ____________________________
Title: ______________________________	**Title:** __________________________________

ADDENDUM REQUIRED BY THE STATE OF SOUTH DAKOTA

In recognition of the requirements of the South Dakota Franchises for Brand-Name Goods and Services Law, S.D. Codified Laws 37-5B-01 through 37-5B-53, the Franchise Disclosure Document for Pocket Deli Franchising, LLC, for use in the State of South Dakota shall be amended as follows:

1. Section 23.7, of the Ongoing Franchise Agreement is amended by the addition of the following language to the original language that appears therein: "In the event that either party shall make demand for mediation, such mediation shall be conducted in a mutually agreed upon site.
2. Item 17 of the Disclosure Document and Section 17.2 of the Ongoing Franchise Agreement are amended by the addition of the following language to the original language that appears therein: "Covenants not to compete upon termination or expiration of a Ongoing Franchise Agreement are generally unenforceable in South Dakota, except in certain instances as provided by law." To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Ongoing Franchise Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.
3. Item 17(e) & (f) (termination without cause & with cause) of the Disclosure Document and Sections 16.2 and 16.3 of the Ongoing Franchise Agreement are amended by the following language: South Dakota law provides for a Thirty Day (30) notice to cure any default prior to termination, including the non-payment of royalty and service fees, amount due for purchases from the Company or its affiliates or other payments due to the Company.
4. Section 23.1 of the Ongoing Franchise Agreement are amended by the addition of the following language to the original language that appears therein: "The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of Williamson County, TX."
5. Section 23.7 of the Ongoing Franchise Agreement is amended by the addition of the following language to the original language that appears therein: "In the event that either party shall make demand for mediation, such mediation shall be conducted in a mutually agreed upon site. The mediation proceeding shall take place in the Williamson County, TX. In connection with any mediation proceeding the provisions of Rule 408 of the Federal Rules of Evidence."
6. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the South Dakota Franchises Brand-Name Goods and Services Law are met independently without reference to this Addendum to the Disclosure Document.

[THIS AREA HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST:	**POCKET DELI FRANCHISING, LLC:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name: Allen Zarou**
Title: ______________________	**Title: CEO**
ATTEST/WITNESS:	**FRANCHISEE / DEVELOPER:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name:** ______________________
Title: ______________________	**Title:** ______________________

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the requirements of Virginia Franchise Protections laws, the Ongoing Franchise Agreement for Pocket Deli Franchising, LLC, for use in the State of Virginia shall be amended as follows:

1. Section 16.2, which terminates the Ongoing Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*);
2. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires Us to defer payments of the Initial Fee and other Initial Payments owed by Franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the Ongoing Franchise Agreement; and
3. Additional Disclosure: The following statements are added to Item 17.h. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Ongoing Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST: ______________________	**POCKET DELI FRANCHISING, LLC:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name: Allen Zarou**
Title: ______________________	**Title: CEO**
ATTEST/WITNESS: ______________________	**FRANCHISEE / DEVELOPER:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name:** ______________________
Title: ______________________	**Title:** ______________________

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AS REQUIRED BY THE STATE OF WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code 19.100.180 to 19.100.190, the Franchise Disclosure Document for Pocket Deli Franchising, LLC, for use in the State of Washington shall be amended as follows:

1. Notwithstanding anything herein to the contrary, the Washington Franchise Investment Protection Act provides:
    a. That mediation sites or venue in the State of Washington, shall be in a mutually agreed upon place, or as determined by the arbitrator at the time of mediation.
    b. That a Franchisee may not waive any rights under the Washington Franchise Investment Protection Act.
    c. That Transfer Fees to be imposed are permissible only to the extent that they compensate for expenses incurred by the Franchisor as a result of the transfer.
    d. That in the event of a conflict of law the provisions of the Washington Franchise Investment Protection Act shall prevail.
    e. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under applicable state law.
2. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code 19.100.180 to 19.100.190, are met independently without reference to this Addendum to the Disclosure Document.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Franchise Disclosure Document in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST: ______________________	**POCKET DELI FRANCHISING, LLC:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name: Allen Zarou**
Title: ______________________	**Title: CEO**
ATTEST/WITNESS: ______________________	**FRANCHISEE / DEVELOPER:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name:** ______________________
Title: ______________________	**Title:** ______________________

ADDENDUM TO THE ONGOING FRANCHISE AGREEMENT AS REQUIRED BY THE STATE OF WASHINGTON

The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement for Pocket Deli Franchising, LLC in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Ongoing Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

A release, estoppel or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST: ______________________	**POCKET DELI FRANCHISING, LLC:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name: Allen Zarou**
Title: ______________________	**Title: CEO**
ATTEST/WITNESS: ______________________	**FRANCHISEE / DEVELOPER:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name:** ______________________
Title: ______________________	**Title:** ______________________

ADDENDUM REQUIRED BY THE STATE OF WISCONSIN

In recognition of the requirements of the Wisconsin Department of Financial Institutions Sections 31.01 to 32.07 and Wis. Stat. 553.27(4), the Franchise Disclosure Document for Pocket Deli Franchising, LLC, for use in the State of Wisconsin shall be amended as follows:

3. The Wisconsin Department of Financial Institutions Sections 31.01 to 32.07 applies to most, if not all, Ongoing Franchise Agreements and prohibits the Termination, Cancellation, Non-Renewal of substantial change of the competitive circumstances of an Ongoing Franchise Agreement without good cause. The Law further provides that 90 days prior written notice of the proposed termination, etc. must be given to the Franchisee. The Franchisee has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. Section 23.1 of the Disclosure Document and the corresponding section of the Franchisor License Agreement should state that the Wisconsin Department of Financial Institutions Sections 31.01 to 32.07 laws supersedes any provisions contained in the Franchise or License Agreement that are consistent with that law; and
4. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Department of Financial Institutions law are met independently without reference to this Addendum to this Disclosure Document.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Ongoing Franchise Agreement in duplicate simultaneously with the execution of the Ongoing Franchise Agreement.

ATTEST:	**POCKET DELI FRANCHISING, LLC:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name: Allen Zarou**
Title: ______________________	**Title: CEO**
ATTEST/WITNESS:	**FRANCHISEE / DEVELOPER:**
By: ______________________	**By:** ______________________
Print Name: ______________________	**Print Name:** ______________________
Title: ______________________	**Title:** ______________________

EXHIBIT H
TO FRANCHISE DISCLOSURE DOCUMENT
POCKET DELI FRANCHISING, LLC LIST OF STATE ADMINISTRATORS ~~& STATE EFFECTIVE DATES~~

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure and registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states. There may also be additional agents appointed in some of the states listed.

California
(*State Administrator*)
Department of Business Oversight:
320 West 4th Street, Suite 750
Los Angeles, CA 90013
(213) 576-7500 Toll Free (866) 275-2677

(*Agent for Service of Process*)
Department of Business Oversight:
One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972-8559

Connecticut
(*State Administrator*)
State of Connecticut, Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8230

(*Agent for Service of Process*)
Banking Commissioner
44 Capitol Ave.
Hartford, CT 06106
(860) 240-8299

Hawaii
(*State Administrator*)
Business Registration Division
Commissioner of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

(*Agent for Service of Process*)
Department of Commerce & Consumer Affairs
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois
(*State Administrator*)
Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

(*Agent for Service of Process*)
Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

STATE EFFECTIVE DATES

The following states 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~~The Franchise Disclosure Document is ~~effective and may be used in the following states, where the document is filed,~~ registered, on file or exempt from registration~~, as of the Effective Date stated below~~ in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California:	October 9, 2019
Connecticut:	N/A
Hawaii:	N/A
Illinois:	N/A
Indiana	N/A
Maryland:	N/A
Minnesota:	N/A
Michigan	N/A
New York:	N/A
North Dakota:	N/A
Oregon:	N/A
Rhode Island:	N/A
South Dakota:	N/A
Virginia:	N/A
Washington:	N/A
Wisconsin:	N/A

~~State~~	~~Effective Date~~
~~California:~~	~~October 9, 2019~~
~~Connecticut:~~	~~N/A~~
~~Hawaii:~~	~~N/A~~
~~Illinois:~~	~~N/A~~
~~Indiana~~	~~N/A~~
~~Maryland:~~	~~N/A~~
~~Minnesota:~~	~~N/A~~
~~Michigan~~	~~N/A~~
~~New York:~~	~~N/A~~
~~North Dakota:~~	~~N/A~~
~~Oregon:~~	~~N/A~~
~~Rhode Island:~~	~~N/A~~

~~South Dakota:~~	~~N/A~~
~~Virginia:~~	~~N/A~~
~~Washington:~~	~~N/A~~
~~Wisconsin:~~	~~N/A~~

[The remainder of this page is intentionally left blank.]

EXHIBIT I
TO FRANCHISE DISCLOSURE DOCUMENT
POCKET DELI FRANCHISING, LLC
CONFIDENTIALITY AGREEMENT

[Replace with Franchisor Servicemark]

By and Between

POCKET DELI FRANCHISING, LLC
FRANCHISOR

AND

____, PROSPECT

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement, made this ________ day of ______________________, 20___, by and between Pocket Deli Franchising, LLC, a Texas Limited Liability Company formed and operating under the laws of the State of Texas, having its principal place of business at 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613 ("Franchisor") and all jointly and severally, of ____ (Hereinafter ("Prospect").

WHEREAS, Franchisor has developed and owns a unique system relating to the establishment and operation of businesses whose purpose is providing high quality food products to hungry customers Pocket Deli Franchisees provide customers with sandwiches using daily, baked from scratch bread, chopped vegetables, meats and cheeses stuffed on demand for the freshest pockets and deli fare available anywhere.

WHEREAS, Prospect and Franchisor have entered into discussions which may involve the disclosure to Prospect of the proprietary information of Franchisor.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other, hereby agree as follows:

1. Proprietary Information/Confidential Treatment. During the course of business dealings between the parties, certain of the confidential information of Franchisor will be disclosed to Prospect. Prospect or any of its employees, shall not for any reason or purpose whatsoever, use for its personal benefit, or disclose, communicate or divulge to, or use for the benefit, direct or indirect, of any person, firm, association or corporation other than Prospect, any knowledge of confidential information which is proprietary to Franchisor ("Proprietary Information"). All Proprietary Information shall be the sole property of Franchisor and its assigns, and Prospect hereby assigns to Franchisor any rights it has or may acquire in such Proprietary Information. Prospect will have access to and become acquainted with various trade secrets and trade sources, consisting of patterns, operational systems and compilations of information, records, and specifications which are owned by Franchisor and which are regularly used in the operation of a franchised business. Prospect shall not disclose any of the aforesaid trade secrets, directly or indirectly, or use them in any way, at any time, except as required in the course of business dealings between Franchisor and Prospect.

2. Injunctive Relief. Any breach of provisions of this Agreement shall cause irreparable harm to Franchisor, and therefore, in the event of a breach or threatened breach of the provisions of this Confidentiality Agreement, Franchisor shall be entitled to an injunction restraining Prospect from disclosing or appropriating in whole or in part, the Proprietary Information, or from rendering any services to any person, firm, corporation, association or other entity to whom such confidential information, in whole or in part, has been disclosed or is threatened to be disclosed. Nothing herein shall be construed as prohibiting Franchisor from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages or liquidated damages in the amount of Twenty Thousand Dollars and 00/100 ($20,000.00) for each such breach, whichever is deemed higher by a court of law.

IN WITNESS WHEREOF, the parties hereunder have duly executed, sealed and delivered this Agreement on the day and year set forth above.

POCKET DELI FRANCHISING,INC.	**PROSPECT(S)**
By: Allen Zarou	**By: ________________________________**
Its: CEO	**Name, Its: ___________________________**
	By: ________________________________
	Name, Its: ___________________________

EXHIBIT J

ITEM 23 – RECEIPT TO THE DISCLOSURE DOCUMENT

(Keep this copy for Your records)

This California Franchise Disclosure Document summarizes certain provisions of the Ongoing Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Pocket Deli Franchising, LLC offers You a franchise, it must provide this Disclosure Document to You 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, or sooner if required by your state applicable law.

[New York and Rhode Island require that We give You this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the Ongoing Franchise Agreement.] [Michigan and Oregon require that We give You this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If We do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the applicable state agency(ies) listed in Exhibit H.

The franchise seller for this is Allen Zarou and Tom Parks of Pocket Deli Franchising, LLC, whose address is 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613; (888) 538-5559. There are no sub franchisors or franchise brokers offering this franchise for Us. ~~**Franchise Agreement.]**~~Pocket Deli Franchising, LLC authorizes the respective state agencies identified in Exhibit H to receive service of process for it in the particular state.

~~**[Michigan and Oregon require that We give You this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]**~~

~~If We do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the applicable state agency(ies) listed in Exhibit H.~~

~~The franchise seller for this is Allen Zarou, Brandon Blakerby, of Pocket Deli Franchising, LLC, whose address is 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613; (888) 538-5559. There are no sub franchisors or franchise brokers offering this franchise for Us. Pocket Deli Franchising, LLC authorizes the respective state agencies identified in Exhibit H to receive service of process for it in the particular state.~~

The issuance date of this California Franchise Disclosure Document is ~~October 9,~~ March 20, 2020,~~2019,~~ the Effective Date for your state, is the date listed ~~on the State Cover Page at the beginning of this Disclosure Document~~In Exhibit H.

The undersigned, personally and/or as a duly authorized officer or a partner of the prospective Franchisee, does acknowledge receipt from Pocket Deli Franchising, LLC of the Franchise Disclosure Document for prospective Franchisees (to which this Receipt is attached), including the following Exhibits:

A. Financial Statements

B. Franchisee Locations

C. ~~Confidentiality~~Preliminary Agreement

D. Preliminary Agreement	E. Ongoing Franchise Agreement	F. Area Development Agreement
G. State Addendums	H. State Administrators ~~& State Effective Dates~~	I. Confidentiality Agreement

_______Received Date: _______________, ~~201~~202__.

____
Individually

____
Print Name

____
as an officer, member or partner of

____
name of entity
a____________________ state corporation, LLC or partnership
(circle one)

You may return the signed receipt either by signing, dating, and mailing to Pocket Deli Franchising, LLC at 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613 or by e-mailing it to franchising@pocketdeli.com

EXHIBIT ~~I~~J
ITEM 23 – RECEIPT TO THE DISCLOSURE DOCUMENT
(Return to Us)

This California Franchise Disclosure Document summarizes certain provisions of the Ongoing Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Pocket Deli Franchising, LLC offers You a franchise, it must provide this Disclosure Document to You 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, or sooner if required by your state applicable law.

[New York and Rhode Island require that We give You this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the Ongoing Franchise Agreement.] [Michigan and Oregon require that We give You this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

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~~The franchise seller for this is Allen Zarou, Brandon Blakerby, of Pocket Deli Franchising, LLC, whose address is 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613; (888) 538-5559. There are no sub franchisors or franchise brokers offering this franchise for Us. Pocket Deli Franchising, LLC, authorizes the respective state agencies identified in Exhibit H to receive service of process for it in the particular state.~~

The issuance date of this ~~California~~Federal Franchise Disclosure Document is ~~October 9,~~ March 20, 2020,~~2019,~~ the Effective Date for your state, is the date listed ~~on the State Cover Page at the beginning~~Exhibit H of this Disclosure Document.

The undersigned, personally and/or as a duly authorized officer or a partner of the prospective Franchisee, does acknowledge receipt from Pocket Deli Franchising, LLC of the Franchise Disclosure Document for prospective Franchisees (to which this Receipt is attached), including the following Exhibits:

A. Financial Statements
B. Franchisee Locations
C. ~~Confidentiality~~Preliminary Agreement
D. Preliminary Agreement
E. Ongoing Franchise Agreement
F. Area Development Agreement

~~LAST PAGE~~

G. State Addendums

H. State Administrators ~~&~~ ~~State Effective Dates~~

I. Confidentiality Agreement

_______Received Date: _______________, ~~201~~202__.

____
Individually

____
Print Name

____
as an officer, member or partner of

____
name of entity
a____________________ state corporation, LLC or partnership
(circle one)

You may return the signed receipt either by signing, dating, and mailing to Pocket Deli Franchising, LLC at 1320 Arrow Point Drive, Suite 501-90, Cedar Park, TX 78613, or by e-mailing it to franchising@pocketdeli.com