FRANCHISE DISCLOSURE DOCUMENT

JB Brothers, Inc. ("Poké Bar" Restaurant)
A California Corporation

8539 West Sunset Boulevard #5 West Hollywood, California 90069
310-657-4294

If we (franchisor) approve you (franchisee), you will establish and operate a "Poké Bar" Restaurant from a designated location under the name "Poké Bar."

The total investment necessary to begin operation of a new start-up Poké Bar restaurant franchise is [$157,800 to $438,000.] (See, Item 7, Disclosure Document). This includes the initial franchise fee that must be paid to the franchisor. The initial franchise fee is $30,000.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Yoon Ho Ju at 8539 West Sunset Boulevard #5 West Hollywood, California 90069, 310-657-4294.

The terms of your contract will govern your franchise relationship. Don't rely on this disclosure document alone to understand your contract. Read all the provisions of your contract carefully and thoroughly. Show your contract and this disclosure document to an advisor, such as a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C.

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

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

Date of Issuance: May 15 , 2017

STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT REQUIRES THAT THE DISPUTES BE SUBMITTED TO A COURT OF COMPETENT JURISDICTION LOCATED IN LOS ANGELES COUNTY, CALIFORNIA. AN OUT OF STATE FORUM MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE CLAIMS IN CALIFORNIA AS OPPOSED TO YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND CALIFORNIA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE’S LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The effective date for this Franchise Disclosure Document for your state is listed on the next page.

STATE EFFECTIVE DATES

The states listed below may require registration or filing of this disclosure document. If this offering is registered in any of these states, the effective date of the registration may differ from the date of issuance of this disclosure document as stated below. Some of these states may require different or additional disclosures or revisions to the agreement. The effective date of this disclosure document for any state that is not included in this list is as shown on the cover of this disclosure document. (See the State Addenda to this disclosure document for certain states.)

California	Effective Date:	
Connecticut	Effective Date:	
Florida	Effective Date:	
Hawaii	Effective Date:	
Illinois	Effective Date:	
Indiana	Effective Date:	
Kentucky	Effective Date:	
Maine	Effective Date:	
Maryland	Effective Date:	
Michigan	Effective Date:	
Minnesota	Effective Date:	
Nebraska	Effective Date:	
New York	Effective Date:	
North Carolina	Effective Date:	
North Dakota	Effective Date:	
Rhode Island	Effective Date:	
South Carolina	Effective Date:	
South Dakota	Effective Date:	
Texas	Effective Date:	
Utah	Effective Date:	
Virginia	Effective Date:	

Washington	Effective Date:	
Wisconsin	Effective Date:	

TABLE OF CONTENTS

ITEM		PAGE
ITEM 1.	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2.	BUSINESS EXPERIENCE	4
ITEM 3.	LITIGATION	4
ITEM 4.	BANKRUPTCY	4
ITEM 6.	OTHER FEES	5
ITEM 7.	ESTIMATED INITIAL INVESTMENT	9
ITEM 8.	RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS	14
ITEM 9.	FRANCHISEE'S OBLIGATIONS	17
ITEM 10.	FINANCING	18
ITEM 11.	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	19
ITEM 12.	TERRITORY	23
ITEM 13.	TRADEMARKS	24
ITEM 14.	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	26
ITEM 15.	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION	28
OF THE FRANCHISED RESTAURANT		28
ITEM 16.	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	28
ITEM 18.	PUBLIC FIGURES	37
ITEM 19.	FINANCIAL PERFORMANCE REPRESENTATIONS	37
ITEM 20.	OUTLETS AND FRANCHISEE INFORMATION	38
ITEM 21.	FINANCIAL STATEMENTS	41
ITEM 22.	CONTRACTS	41
ITEM 23.	RECEIPTS	42
		LAST PAGES

EXHIBITS

A. LIST OF STATE ADMINISTRATORS
B. LIST OF STATE AGENTS FOR SERVICE OF PROCESS
C. FRANCHISE AGREEMENT
D. TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL
E. FINANCIAL STATEMENTS
F. LIST OF TERMINATED FRANCHISEES
G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
H. MULTI-STATE ADDENDA

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

In this disclosure document, the words "we," "our," "us," and "Poké Bar" refer to "JB BROTHERS, INC." the franchisor or person offering you the franchise. "You" and "your" refer to the person who buys the franchise, also called the franchisee. A person means an individual or a legally recognized entity, such as a corporation or other business entity. We also refer to the franchise we offer as the Franchised Restaurant.

The Franchisor

Our name is JB BROTHERS, INC d/b/a/ Poké Bar. We were incorporated in California on January 6, 2015. Our principal business address is 8539 West Sunset Boulevard #5 West Hollywood, California 90069. We do business under the registered trademark, "POKÉ BAR Dice & Mix."

Affiliates

We have no affiliates.

Parents and Predecessors

We have no parent or predecessor companies.

Franchisor Name

We do business under "Poke Bar" and license the name POKÉ BAR Dice & Mix. Our corporate entity owns the trademark and license to the name POKÉ BAR Dice & Mix.

Agent for Service of Process

Our agent for service of process is Jeong Hi Ju located at 8539 West Sunset Boulevard #5 West Hollywood, California 90069.

Type of Business Organization

We are a California corporation.

The Franchise Being Offered

We grant franchises to qualified persons in connection with the service mark "POKÉ

BAR" and other related logos. We refer to these business as "POKÉ BAR Restaurants."

We hold the trademark "Poke Bar Dice & Mix" and license for "Poké Bar" restaurants. We license out the Poké Bar trademark for an initial term of 10-years with the option to renew.

In this disclosure document, we refer to the Poké Bar Restaurant we grant you as the franchise or the Franchised Restaurant. You must pay a one-time fee, which is called the franchise fee, for us to grant you the franchised restaurant.

Your franchised restaurant will do business under the name "POKÉ BAR" and our other related service marks, trademarks, logos, source materials or what we may specify based on the Poké Bar franchise agreement (collectively referred to as "Marks") and business methods. You will also operate the Franchised Restaurant based on our standards, methods, procedures, specifications, and certain features of Poké Bar's system, collectively called the "System." You will find our System described in the Confidential Operations Manual (the "Manual") that we will provide to you on loan, and as we modify and update it over time. The System includes the look of the Franchised Restaurant, the services, the way you conduct business, training programs, advertising, and internet-based marketing programs. By agreeing to operate a Franchised Restaurant, you are agreeing to abide by and uphold the System we use to operate our franchise-wide System and your Franchised Restaurant.

Franchisor may grant you a franchise, if you meet our financial, professional, operational and other standards; will operate in a market in which we seek to be represented; and agree to pay certain fees and comply with various other requirements which may be established by Franchisor periodically. You may offer only Poké food as described in our Manual, at your Franchised Restaurant, unless we agree, in writing and in advance, to let you conduct other activities there.

General Description of the Market and Competition

You will target your services to the general public. You will compete in the food services industry, which is developed and very competitive. You may have to compete with other independent and chain-affiliated restaurants including franchised operations, national chains, and independently owned companies offering similar products or services to customers. Because your business depends on the decisions consumers make about how they spend their income, changes in local and national economic conditions and population density may affect your franchised restaurant. You may also encounter competition from other POKÉ BAR restaurants operated by us or other franchisees.

You will face other normal business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand for the products you may need to operate the franchised restaurant, new technologies, and competition from similar restaurants with a presence on the Internet.

You may also face exposure to lawsuits flowing from your operation of the franchised restaurant. These risks are speculative, but you should position yourself to avoid them. Our ability to fulfill our obligations to you under the Franchise Agreement depends in part on our present and future financial condition.

Regulations Specific to the Industry

Each state in which we may grant franchises will generally have laws and regulations governing the operation of the Franchised Restaurant, including those that: (i) establish general standards, specifications and requirements for the construction, design and maintenance of the restaurant premises; (ii) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for the storage, handling, cooking and preparation of food, restrictions on smoking, availability of and requirements for public accommodations, including restrooms; (iii) set standards pertaining to employee health and safety; and (iv) regulate matter affecting requirements for accommodations for disabled persons.

In addition, you must comply with all local, state and federal laws that apply to your Restaurant operations, including, not limited to, zoning, health, sanitation, non-smoking, EEOC, OSHA, Title VII discrimination, employment and sexual harassment laws. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. You must obtain real estate permits for zoning and operation. There may also be regulations that pertain to sanitation, labeling, food preparation, food handling, grease and other waste disposal, environmental compliance and food service.

Under the Franchise Agreement, you alone are responsible for investigating and complying with all the applicable laws that govern your franchised restaurant. There may also be other laws and regulations that impact ways in which you conduct business. You should consult your legal advisors about what laws you need to observe to operate the franchised restaurant according to the specifications of our System. We are not attorneys and cannot offer legal advice about the laws you must comply with in order to operate your franchised restaurant.

ITEM 2. BUSINESS EXPERIENCE

Principals: Jeong Hi Ju and Jason Park

Both Principals of JB Brother's, Inc. have extensive experience in the restaurant industry. Jeong Hi Ju has operated a sushi restaurant for over 20 years. Jason Park has operated several restaurants serving pizza for over 5 years.

President: Yoon Ho Ju

Yoon Ho Ju is our President. Mr. Ju has been in the restaurant business for over 15 years.

ITEM 3. LITIGATION

No person previously identified in ITEM 2 of this disclosure document has been involved in litigation. No person previously identified in ITEM 2 has been subject to any order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, suspending or expelling such persons from membership.

ITEM 4. BANKRUPTCY

No person previously identified in ITEMS 1 or 2 of this disclosure document has been involved as a debtor in proceedings under either the U.S. Bankruptcy Code or any foreign bankruptcy laws required to be disclosed in this ITEM.

ITEM 5. INITIAL FEES

Franchise Fee

The Initial Franchise Fee is $30,000 and must be paid to us when you sign the Franchise Agreement. The Franchise Fee is a one-time, non-refundable, lump-sum payment. The Franchise Fee is fully earned by use when paid and it is not refundable.

The nonrefundable franchise fee is compensation to POKÉ BAR for our efforts in offering and selling a franchise to you. The fee also compensates us for our franchise sales and marketing activities to promote the sale of a franchise to qualified franchisees, our participation in the franchise sale, our legal compliance with franchise laws and regulations, site selection assistance and guidelines, and our participation in terminating the franchise.

Training fees, payment for inventory, lease deposit, and any other pre-opening payments that must be made to the franchisor or its affiliate are not included in the "franchise fee." Nor are payments made to unaffiliated third parties.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Sales[1]	Payable twice monthly with withdrawals on the 10th and 25th of each month.	You pay us.
Promotional Marketing Fund	1% of Gross Sales	As incurred.	You pay us.
Lease Review Fee	$500	At the time you submit your lease for our review.	We may review your lease as to issues related to the operation of the Restaurant, compliance with System standards, and matters of importance to us. **It is not to evaluate the legal, financial or business terms.**
Audit Expenses[2]	All costs and expenses associated with audit, approximately $3,500 - $10,000	Upon demand.	You pay us should we conduct an audit and it reveals you have underreported any amount you owe us by 2% or more.
Late Fees[3]	$100 for each past due payment with interest at 10% or the highest rate allowed by the state where you are located, whichever is higher	Upon demand.	You also pay us for understatement of payments that any audit may reveal.
Insurance Policies	$1000 – $3,000	Upon demand	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies plus a 25% surcharge. You pay us should you fail to maintain required insurance coverage and we elect to obtain coverage for you. Otherwise insurance costs

Type of Fee	Amount	Due Date	Remarks
			should be paid to the insurance carrier.
Transfer Fee	$7,500	At the time of application for transfer	You or the Individual Transferor pays us at the time of transfer. You do not pay us if the transfer is to a legal or business entity owned entirely by you or to qualified members of your family.
Training[4]	$2,500 - $5,000. ($500 per day plus out of pocket expenses) at approximately 10 days,	Time of service	We provide initial training to you for a rate of $500 per day plus out of pocket costs at approximately 10 days. If you desire to have additional persons trained, you must pay the training fee for each additional training session. You must pay your expenses as well as your employees' expenses in attending. You will pay third party suppliers for various travel related services. Ongoing training is currently of a voluntary basis. Supplemental or Additional Training is offered upon request at the same rate.
Return Check Fee	Currently $30	3 days after notice	We may charge highest rate for commercial contracts permitted by applicable law.
Interest	Not to exceed 10% per annum or the highest rate for commercial contracts permitted under applicable law	With delinquent payments	Payable on all delinquent payments

Type of Fee	Amount	Due Date	Remarks
Renewal Fee	Currently $10,000	At time of signing renewal franchise agreement	
Cost of Enforcement	All costs including reasonable attorneys' fees	Upon demand	You pay us for the costs we incur should we prevail in any legal action to enforce your obligations.
Lost Future Profits	Combined monthly average of Royalty Fees and other fees under the Franchise Agreement multiplied by the number of months remaining in the term of the Franchise Agreement, discounted to present value using a discount rate of 8%	Upon demand	Payable if we terminate the Franchise Agreement for cause or if you wrongfully terminate the Franchise Agreement.
Indemnification	All costs including reasonable attorneys' fees	Upon demand	You must defend lawsuits at your cost and hold us harmless against lawsuits arising from your operation of the franchised restaurant.
Approval of Products or Suppliers[5]	Varies, but will include all expenses	Time of evaluation	Applies to our evaluation of new suppliers you wish to purchase from or products you wish to purchase

The fees you pay to us and our suppliers in ITEM 6 are typically non-refundable. We do not collect fees for third party suppliers. You should ask about the refund policy before you use any supplier. We may require you to pay all fees due to us through an electronic depository transfer account. You pay no other fees or payments to our affiliate or us. Our fees are uniform for all franchisees.

NOTES

[1] Gross Sales include all revenue from the sale of all services and products (including the

sale of food and merchandise, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Franchised Restaurant, including, but not limited to, such off premises services as catering (but only with our prior written approval) and delivery) and all other income of every kind and nature including all proceeds from business interruption insurance (including stored gift value cards and gift certificates when purchased but not when redeemed) related to the Franchised Restaurant, whether for cash or credit and regardless of collection in the case of credit. Gross Sales do not include: (1) sales taxes or other taxes that you collect from customers for transmittal to the appropriate taxing authority; (2) the sale of food or merchandise for which refunds have been made in good faith to customers; (3) the coupon or discounted value of sales over and above the price paid for products or services, or the value of food provided to employees greater than the actual price paid by employees; (4) the redemption of the stored value cards and gift cards; or (5) the sale of equipment used in the operation of the Franchised Restaurant.

[2] We assume that your costs will vary depending on certain factors. These include the prevailing rates for auditors in your area, the business activity being audited, and how well-organized you keep your books and records. You pay our actual costs only. You should contact auditors in your area to investigate their costs.

[3]Late fees begin from the date payment was due, but not received, or date of underpayment up until paid in full.

[4]You must pay your costs to attend. Your costs will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. You can investigate these costs through travel agencies or through the worldwide web. For further reference, review the estimated costs to attend our initial training program included in ITEM 7.

[5]The cost to approve a new supplier or product varies depending on the availability of product samples for testing, shipping costs or travel costs to review the product, the type of product under review, the availability of objective information relating to a particular product or supplier, whether the product or supplier has been rated or reviewed by associations in this or other industries, and other similar factors. If you propose a new supplier or product for approval by us, your reimbursement of our costs to review the product or supplier will not exceed our actual costs.

[The remainder of this page is intentionally left blank.]

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR A FRANCHISED RESTAURANT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee[1]	$30,000	Lump sum or as arranged	At Signing of Franchise Agreement	Us
Real Estate/Rent[2]	$3,800 - $20,000	As Arranged	Before Beginning Operations	Lessor
Leasehold Improvements[3]	$50,000 - $200,000	As Arranged	Before Beginning Operations	Contractor, Suppliers
Insurance[4]	$1,000 - $3,000	As Arranged	Before Beginning Operations	Insurance Company
Office Equipment and Supplies[5]	$1,000 - $3,000	As Arranged	Before Beginning Operations	Suppliers
Furniture, Fixtures and Equipment[6]	$15,000 - $50,000	As Arranged	Before Beginning Operations	Suppliers
Signage[7]	$4,000 - $10,000	As Arranged	Before Beginning Operations	Suppliers
Initial Inventory[8]	$5,000 - $12,000	As Arranged	Before Beginning Operations	Approved Suppliers, Suppliers
Advertising, Public Relations, Grand Opening[9]	$3,000 - $10,000	As Arranged	Before Beginning of Operation	Advertising Suppliers
Taxes, Licenses & Permits[10]	$5,000 - $25,000	As Arranged	Before Beginning Operations	Licensing Authorities

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Legal & Accounting[11]	0 - $5,000	As Arranged	Before Beginning Operations	Attorney, Accountant
Additional Funds[12] (3 months)/Working Capital	$40,000 - $70,000	As Incurred	After Opening	Employees, Utilities, Lessor & Suppliers You Determine
TOTAL[13]	$ 157,800 - $ 438,000			

Costs paid to us are non-refundable. Whether any costs paid to third parties are refundable will vary based on the practice in the area where your Franchised Restaurant is located. As noted in Item 10, we do not offer direct or indirect financing to your for any part of the initial investment.

NOTES

[1] Franchise Fee. The Franchise Fee is described in greater detail in ITEM 5 of this Franchise Disclosure Document.

[2] Real Estate/Rent. You must lease or provide a suitable facility for the operation of the franchised restaurant. You must secure our written consent before you lease the facility. The facility should be at least 500 square feet, and we recommend between 1000 to 1,400 square feet. You may choose a larger facility, but it will likely increase your operation costs. Our estimate in this category is based on you leasing the facility, and on you leasing a facility based on the square footage we specify above. Your cost to lease is difficult to quantify because there are many factors that affect what you pay. These factors include the facility's location, its square footage, cost-per-square foot, renovation costs, and any required maintenance fees. Our low estimate assumes you will have to pay the 1st month's rent and a security deposit equal to one month's rent in advance. Our high estimate assumes you will have to pay the 1st month's rent and a security deposit of 2 month's rent in advance. We include 3 additional months of rental costs in the category, "Additional Funds," (see Note 12 below). We do not require you to purchase or build a facility to house the franchise. Your cost may increase over our projections if you choose to purchase or build. You should consider construction delays and their unpredictable costs before

electing to build or purchase. You should seek professional advice if you choose to build or purchase.

[3] Leasehold Improvements. You will likely incur costs to renovate or remodel the space you lease for the franchised restaurant. Your costs will vary depending on certain factors. These include the size, condition and location of the facility, extent of renovation, local wage rates and the cost of materials. The low estimate assumes that your landlord will provide a partial build-out allowance. The amounts you pay for leasehold improvements are typically non-refundable. You should ask the vendor you hire to renovate or remodel the facility about its refund policy before you agree to use its service.

[4] Insurance. You must purchase the following types and amounts of insurance:

(1) "all risk" property insurance coverage for assets of the franchised restaurant;
(2) workers' compensation insurance and employer liability coverage with a minimum limit of $100,000 or higher if your state law requires;
(3) comprehensive general liability insurance with a minimum liability coverage of $1,000,000 per occurrence and $2,000,000 in the aggregate, or higher if your state law requires;
(4) automobile liability insurance of at least $500,000 or higher if your state law requires; and
(5) insurance coverage for contractual indemnity.
(6) Business interruption insurance for a period of at least 12 months.
(7) Such insurance and types of coverage as may be required by your landlord or by the terms of any lease for the premises of the Franchised Business or by the municipality, county, state or other local jurisdiction in which the Franchised Business is located.
(8) Comprehensive commercial automobile liability insurance for any vehicle operated by, or on behalf of, the Franchised Business, including owned, hired and non-owned vehicle coverage of at least $500,000.

(9) Crime insurance for employee dishonesty in the amount of $10,000 combined single limit.

(10) Cyber liability insurance with a limit of at least $100,000 per occurrence.

(11) Employment practices liability insurance (EPLI) with a limit of at least $100,000 per occurrence.

Factors that may affect your cost of insurance include the size and location of the franchised restaurant, value of the leasehold improvements, equipment, inventory, number of employees and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase. If you are converting an existing business into a franchise, you may not have these additional insurance expenses.

[5] Office Equipment and Supplies. You must purchase general office supplies including stationary, computer, printer and other typical office equipment. Factors that may affect your cost of office equipment and supplies include local market conditions, competition among suppliers and other factors. If you are converting an existing business into a franchise, we assume you already have some of the office equipment and supplies and your costs should be less. We do not know if the amounts you pay for office equipment and supplies are refundable. Factors determining whether office equipment and supplies are refundable typically include the condition of the items at time of return, level of use and length of time of possession. You should inquire about the return and refund policy of the supplier at or before the time of purchase.

[6] Furniture, Fixtures and Equipment. You must purchase and/or lease and install furniture, fixtures and equipment and décor necessary to operate your Franchised Restaurant. This includes, but not limited to, tables and chairs, equipment (cash register), POS system, camera system, audio and visual equipment. You must purchase a POS System we designate, which currently is the Clover POS System. The cost of the furniture, fixtures and equipment will vary according to local market conditions, the size of the facility, suppliers and other related factors. If you are converting an existing business into a franchise, we assume you already have some of the furniture, fixtures and equipment and your costs should be less. We do not know if the amounts you pay for furniture, fixtures or equipment are refundable. Factors determining whether furniture, fixtures and equipment are refundable typically include the condition of the items, level of use, length of time of possession and other variables. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing or leasing

[7] Signage. The cost for signage of the Franchised Restaurant will be based on its size and location, the local zoning requirements where you choose to locate the franchise, landlord requirements and local wage rates for installation. The amounts you pay for signage are typically non-refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchase.

[8] Initial Inventory. You will be required to purchase an initial supply of approved food and beverage products. The cost will vary based upon the size and location of the Franchised Restaurant, time of season, competition amount suppliers and other related factors.

[9] Advertising, Public Relations, Grand Opening. We reserve the right to collect 1% of Gross Sales for a collective Advertising Fund that benefits all franchisees. We also require all

Franchisees to spend at least 1% of Gross Sales on Local Advertising. You may choose to spend more than the minimum amount, but you are not required to do so. Your grand opening advertising expense will vary. You should inquire about the return and refund policy of the suppliers at or before the time of purchase**.** See ITEM 11 for more factors that may affect your advertising costs.

[10] Taxes, Licenses & Permits. Your state and local government agencies may charge fees relating to getting construction permits, operating licenses and health permits for serving food and beverages. These fees are typically non-refundable and vary by jurisdiction. You should ask about the cancellation and refund policy of the agencies at or before the time of payment.

[11] Legal & Accounting. You will need to employ an attorney, an accountant and other consultants to assist you in establishing your franchised restaurant. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants. These fees are typically non-refundable. You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring.

[12] Additional Funds. We recommend that you have a minimum amount of money available to cover operating expenses, including rent, utilities and employees' salaries for the first 3 months that the franchised restaurant is open. We cannot guarantee that our recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high. These expenses are typically non-refundable.

[13] Total. In compiling this chart, we relied on our industry knowledge and experience. The amounts shown are estimates only and may vary for many reasons, including the size and condition of your facility, the capabilities of your management team, where you locate your franchised restaurant and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting the franchised restaurant.

We do not offer direct or indirect financing to you or any other franchisee.

[The remainder of this page is intentionally left blank.]

ITEM 8. RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

(a) Goods and Services You Must Purchase or Lease to Operate the Franchised Restaurant

You must remodel, furnish and equip the Franchised Restaurant according to our standards and specifications. Many of the products, supplies and services needed in connection with establishing your Franchised Restaurant must meet our specifications for appearance, quality, performance, and functionality, among other things. Additionally, some of the products, supplies and services needed in connection with the ongoing operation of your Franchised Restaurant, such as food, beverage, packaging, advertising materials, stationery, and business insurance, for example, must meet our specifications for appearance, quality, performance, or functionality, among other things. We list the specifications for these items and services in the Manual or in other written or electronic communications provided to you.

We will periodically issue new standards and specifications (if any) through written notices

Additionally, for marketing purposes, all signs and other promotional items must meet our specifications. The Confidential Operations Manual contains specifications for these goods and services. They also contain Poké Bar Identification specifications including logo appearance, color, style, advertising restrictions and samples of pre-approved advertising and press releases. We may update the Confidential Operation Manual periodically, or may advise you of new specifications in person, by mail, email, or by fax.

You do not have to purchase non-mark-bearing products which otherwise meet our specifications from Approved Suppliers. You must purchase mark-bearing products, such as signage and stationery, only from suppliers for these products. We do not assume any liability for the acts or omissions of or guarantee the performance of, any supplier, whether approved or not.

(b) Suppliers

We will provide you, in the Manual or other written or electronic form, with a list of specifications and , if required, a list of Approved Suppliers for some or all of the food products, paper goods and other supplies, signs, equipment and other approved or specified items and services, and we may issue revisions to the list. None of our officers own any interest in any Approved Supplier.

We alone determine the approved products or services you offer in the franchised restaurant. If you wish to use any goods or services in establishing and operating the franchised restaurant that we have not approved, you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications or the supplier meets our approved supplier criteria. You must pay our expenses to evaluate goods, services or suppliers. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers include the following: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; and dependability and general reputation.

Periodically, we may review our approval of any goods, services or suppliers. We will notify you if we revoke our approval of goods, services or suppliers. You must immediately stop purchasing disapproved goods or services, or must immediately stop purchasing from a disapproved supplier.

(c) Computer/Point-of Sale System/Information Technology

You are required to purchase and use the point-of-sale system and computer hardware and software described in the Operations Manual. We do not derive revenue as a result of the point-of-sale system or computer hardware and software. Additionally, you shall maintain electronic data exchange service designated by Company to enable Company to access Franchisee's computer and point of sale system as frequently as Company deems necessary. You must comply with our standards and requirements for email, communications, information technology and other technology systems that we develop, implement and/or require you to acquire and use at the Franchised Restaurant and/or in your operations.

We currently require Franchisees to use the Clover POS System. We have the right to access each Franchisee's POS System for purposes of calculating and receiving royalty payments.

(d) Insurance

You must purchase and maintain in effect during the term of the Franchise Agreement the type and amount of insurance specified in Section 17 of the Franchise Agreement, as further described in the Operations Manual. This is in addition to any other insurance that may be required by applicable law, any lender or lessor. Currently, the types of coverage that you will need to obtain include, but not limited to, the following: (1) comprehensive general liability insurance; (2) business automobile liability insurance; (3) statutory workers' compensation insurance and employer's liability insurance; (4) commercial umbrella liability insurance; (5) property insurance; (6) products liability insurance; and (7) any other insurance coverage that is required by federal, state, or municipal law. Your insurance policies must name us as an additional insured and/or loss payee. We do not derive revenue as a result of your purchase of insurance.

(e) Miscellaneous

We estimate that approximately 80% to 90% of your expenditures for leases and purchases in establishing your Franchised Restaurant will be for goods and services that must be purchased either from us, our affiliates or an Approved Supplier, or in accordance with our standards and specifications. We estimate that approximately 80% to 90% of your expenditures on an ongoing basis will be for goods and services that must be purchased from either us, our affiliates, Approved Suppliers or in accordance with our standards and specifications.

We do not provide material benefits to you (such as renewal rights or the right to open additional Franchised Restaurants) based on whether you purchase through the sources we designate or approve; however, purchases of unapproved products or purchases from unapproved suppliers in violation of the Franchise Agreement will entitle us, among other things, to terminate the Franchise Agreement.

As of the date of this Disclosure Document, we do not receive any payments or discounts from your purchases or leases of products and services from suppliers we designate. However, we reserve the right to do so.

[The remainder of this page is intentionally left blank.]

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation		Section in the Franchise Agreement	Disclosure Document ITEM
a.	Site selection and acquisition/lease	Section 2 and 5	ITEMS 11 and 12
b.	Pre-opening purchases/leases	Section 2 and 5	ITEMS 7 and 8
c.	Site development and other pre-opening requirements	Sections 2 and 5	ITEMS 7, 8 and 11
d.	Initial and ongoing training	Section 11	ITEMS 6, 7 and 11
e.	Opening	Section 5	ITEM 11
f.	Fees	Section 9	ITEMS 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	Section 12	ITEMS 8, 14 and 16
h.	Trademarks and proprietary information	Section 19 and 20	ITEMS 13 and 14
i.	Restrictions on products/services offered	Sections 10	ITEMS 8 and 16
j.	Warranty and customer service requirements	Section 13	ITEM 16
k.	Territorial development and sales quotas	Not Applicable	ITEM 12
l.	Ongoing product/service purchases	Section 10	ITEMS 8 and 11
m.	Maintenance, appearance and remodeling requirements	Sections 13	ITEM 6
n.	Insurance	Section 17	ITEMS 6, 7 and 8
o.	Advertising	Section 16	ITEMS 6,7 and

Obligation		Section in the Franchise Agreement	Disclosure Document ITEM
			11
p.	Indemnification	Section 24	ITEM 6
q.	Owner's participation/management/ staffing	Section 4	ITEM 15
r.	Records and reports	Section 11	ITEM 11
s.	Inspections and audits	Sections 13, 22	ITEMS 6, 11 and 13
t.	Transfer	Section 25	ITEMS 6 and 17
u.	Renewal	Section 3	ITEM 17
v.	Post-termination obligations	Section 26, 27	ITEM 17
w.	Non-competition covenants	Sections 21	ITEM 17
x.	Dispute resolution	Section 32	ITEM 17
y.	Other	Not Applicable	Not Applicable

ITEM 10. FINANCING

Franchisor does not provide financing. You must obtain all financing through sources other than Franchisor.

[The remainder of this page is intentionally left blank.]

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

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

GENERAL OBLIGATION

A. Before you open your franchised restaurant, we will:

1. (if we have not already approved a site for the franchised restaurant before signing the Franchise Agreement), designate the area in which you must locate the franchised restaurant, provide you with our criteria for site selection and evaluate sites you propose for the location of the franchised restaurant.

2. designate your non-exclusive area (area of primary responsibility).

Neither our employees nor we have special expertise in selecting sites; we make no representations that your franchised restaurant 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.

3. review and approve your lease or purchase agreement for the approved site for the franchised restaurant.

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 will succeed at the leased or purchased premises. Our review of your lease does not constitute legal advice and our review is solely to assure that the lease complies with the Franchise Agreement. For legal advice, you must rely upon the advice of your attorney.

4. provide you with specifications for remodeling and equipping the approved location along with a list of required supplies, equipment and improvements that you must purchase and install.

5. provide an initial training program.

6. provide to you, on loan, one copy of our Manual.

B. After the opening of the franchised restaurant, we will:

1. provide you with opening assistance which will consist of one senior trainer for up to a period of up to 10 days (usually 5 to 10). If we determine that you need additional assistance, we will provide additional opening assistance as we believe is necessary to effectively open the Restaurant and supplement general operating and management procedures. You will pay for the air travel, lodging, ground transportation and per diem compensation for the balance of the opening team other than the senior trainer.

2. periodically advise you and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods. Our guidance is based on our and our affiliate's knowledge and experience. We offer you advice and guidance on a variety of business matters, including operational methods, accounting procedures, authorized services or products and marketing and sales strategies.

2. make periodic visits to the franchised restaurant to provide you with consultation, assistance and guidance in various aspects of the operation and management of the franchised restaurant. We may prepare written reports suggesting changes or improvements in the operations of the franchised restaurant and detailing deficiencies that become evident from a visit. If we prepare a report, we may provide you with a copy.

3. make available to you operations assistance and ongoing training as we think necessary.

4. approve forms of advertising materials you will use for local advertising, grand opening advertising and cooperative advertising.

5. provide you with modifications to the Confidential Operations Manual as they are made available to franchisees.

C. Advertising and Promotion

We have developed a System-wide Promotional Fund and you will be required to contribute 1% of your monthly Gross Sales to the fund, if we activate the Fund. We will set the exact percentage that you must contribute and we may adjust the percentage periodically. We will administer the Promotional Fund as follows:

(a) Franchisee shall spend, without offset, credit or deduction of any nature, an amount equal to one percent (1.0%) of Franchisee's Gross Sales on advertising and promotion in Franchisee's market to publicize the Franchised Business ("Local Advertising Expenditures"). This will be paid on a monthly basis. If at the end of any given calendar year, or portion thereof for the first year of the Term of this Agreement, Franchisee has not spent one percent (1.0%) of Franchisee's Gross Sales on Local Advertising Expenditures, then Franchisee shall promptly pay the difference, plus an amount equal to twenty-five percent (25%) of the difference, to Company, which funds shall be deposited into the Promotional Fund. All amounts spent on grand opening advertising shall not be counted toward satisfaction of the Local Advertising Expenditure requirement.

(b) 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, which may reach a national, regional or local market. We may develop materials and/or conduct advertising and marketing campaigns in-house, but we may use and retain regional and national advertising, marketing, public relations and/or media companies in the future. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Marketing Fund.

(c) Company shall use the Promotional Fund to meet all costs of maintaining, administering, directing and preparing advertising and marketing programs, public relations and market research. Company will not be restricted with respect to what, where and how the Promotional Fund will be applied for these purposes. Company will retain complete discretion over the form, content, time, location, market and choice of media and markets for all advertising and promotion paid for from the Promotional Fund proceeds. Without limiting the scope of Company's general authority and discretion, Company may use the Promotional Fund to pay for the cost to (i) create, prepare and produce advertising and promotional formats, materials and samples including, without limitation, point of sale materials, promotional graphics, brochure take-away graphic menus, and coupons; purchase media space or time; purchase outdoor advertising art and space; create direct mail advertising and literature of all kinds; (ii) administer local, regional and national advertising programs, including buying direct mail and other media advertising, and purchasing electronic listings in white and yellow page web sites; (iii) conduct electronic advertising promoting the POKÉ BAR® System and Proprietary Marks; (iv) employ advertising, public relations and media buying agencies; (v) support public relations, market research, consumer research and new product research; (vi) maintain a toll-free telephone number and system-wide intranet for franchisees to access for marketing assistance; and (vii) pay expenses directly associated with maintaining and administering the Promotional Fund, including, without limitation, the cost to prepare annual accountings, expenses to collect Promotional Fund Fees from delinquent franchisees, and the cost of conducting the Annual Meeting if Company elects to hold one.

(d) The Promotional Fund is not a trust and we assume no fiduciary duty in administering the Promotional Fund.

D. <u>Point of Sale System</u>

We have the right to specify or require that certain brands, types, makes, and/or models of point of sale systems. Currently, we require the use of the Clover POS System.

The POS System must be capable of recording customer transactions, collecting and generating gross sales reports, and collecting and generating sales reports by categories, including, but not limited to, menu mix by day-parts. The system also must be capable of complying with the Fair Credit Reporting Act requirements that merchants truncate credit card and debit card numbers. We reserve the right to change the required Point of Sale platform including software, hardware, and/or related components as deemed appropriate for the System at the your expense.

E. Methods Used to Select the Location of the Franchised Restaurant

If you have a potential site for the franchised restaurant, you may propose the location for our consideration. We may consent to the site after we have evaluated it. You are solely responsible for locating and obtaining a site that meets our standards and criteria and that is acceptable to us.

The general site selection and evaluation criteria or factors that we consider in approving your site includes the condition of the premises, demographics of the surrounding area, proximity to other Poké Bar restaurants, proximity to competitive businesses, lease requirements, traffic patterns, visibility, vehicular and pedestrian access, proximity to major roads, available parking and overall suitability. We will provide you with written notice of our approval or disapproval of any proposed site within a reasonable time (usually 14 days) after receiving all requested information. If we cannot agree with you on a suitable site for the franchised restaurant within 120 days after you sign the Franchise Agreement, we may terminate the Franchise Agreement.

F. Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of a Poké Bar Restaurant is generally ranges from 3 to 12 months. Factors that may affect your beginning operations include ability to secure permits, zoning and local ordinances, weather conditions and delays in installation of equipment and fixtures. You are required to open your Franchised Restaurant and be operational within the time specified in the Franchise Agreement after signing the Franchise Agreement.

G. Training

Initial Training Program:

We will conduct an initial training program that all franchisees and/or their Designated

Managers must attend. Our initial training program consists of up to ten (10) days of instruction at the Company's business offices or other location that the Company may select. The initial training program covers all material aspects of the operation of a Franchised Restaurant, including such topics as food preparation and presentation methods and techniques; sales and marketing methods; maintenance of quality standards; customer service techniques, record keeping and reporting procedures, other operational issues and on-the-job training.

At a minimum, either you or a senior operations employee acceptable to Company who will have general management and supervisory responsibilities at your Franchised Restaurant, must successfully complete the initial training program before the opening of the Franchised restaurant and qualify as a certified manager, signifying that the person is qualified to train Franchisee's other store-level managers and employees (a "Certified Manager"). If, at the end of the initial training program, this person fails to demonstrate the requisite competency to operate and manage a franchised times.

Our Training Schedule is provided in our Operations Manual and consists of the following:

Subject	Hours of On the Job Training	Location
Welcome and Introduction	8	Corporate location Los Angeles
Hiring Procedures	4	Corporate location Los Angeles
Menu Introduction	4	Corporate location Los Angeles
Back of house (Prep Cook) Training	32	Corporate location Los Angeles
Front of House Training including POS Training	32	Corporate location Los Angeles

ITEM 12. TERRITORY

You will not receive an exclusive territory, unless otherwise agreed. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We retain certain rights with respect to the System and Marks, including the right to: (A) establish, own or operate, and license others to establish, own or operate, POKÉ BAR Restaurants inside or outside of the Territory, or within or at a Non-Traditional Outlet within your Territory; (B) establish, own or operate, and license others to establish, own or operate, other businesses under other systems using other trademarks at locations inside and outside of the Territory; (C) provide the services and sell any products authorized for Franchised

Restaurants using the Marks or other trademarks and commercial symbols through alternate channels of distribution, such as joint marketing with partner companies, Internet merchandise sales and catalog sales; provided, however, that no sales will be made to any Competitive Business within the Territory; (D) engage in any activities not expressly forbidden by the Franchise Agreement.

You will operate the franchise from one location that we approve. You must receive our written permission before relocating. If you can no longer use the location due to circumstances beyond your control, including unreasonable lease terms or destruction of the premises, we may allow you to relocate. If you attempt to sell your franchised restaurant or transfer your interest from the franchised restaurant to a third party, we may exercise our right of first refusal. You do not receive the right to acquire additional franchises within your area of primary responsibility. You must meet our qualifications for new franchisees to qualify for an additional franchise location.

ITEM 13. TRADEMARKS

We grant our franchisees the right to operate Franchised Restaurants under the name "POKÉ BAR," which is the principal Mark used to identify our System. You may also use any other current or future Mark to operate your Franchised Restaurant that we designate in writing, including the logo on the front of this Franchise Disclosure Document and the principal trademarks listed below. By "Mark," we mean any trade name, trademark, service mark or logo used to identify POKÉ BAR Restaurants.

The United States Patent and Trademark office has granted federal trademark and service mark registrations for various formatives of the mark for "POKÉ BAR as follows:

Mark	Date of Registration	Registration no.
POKÉ BAR Dice&Mix	Sep. 10, 2015	5,006,193

We have filed with the USPTO all required affidavits of use and renewal applications.

We know of no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board (the "TTAB"), the trademark administrator of any state or any court. We are not aware of any pending infringement, opposition, or cancellation proceedings or material litigation matters involving the Marks that are relevant to their use. There are no agreements currently in effect that significantly limit our rights, to use, or license the use, of the above mentioned Marks in any manner material to the franchise. We know of no infringing or prior superior uses that could materially affect the use of the Marks. We are aware of other common law local uses of the mark "Hurricane" in connection with the offer and sale of food and beverages and/or the operation of restaurants in different places in the United States. You will need to carefully evaluate your potential Development Area and Territory to determine if there are other prior local uses of the mark "POKÉ BAR" that may limit or affect your use of the Marks due to prior local use common law rights.

You will not receive any rights to the Marks other than the limited exclusive right to use them in the operation of your Franchised Restaurant. 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 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 Franchise Agreement. You may not assist any other person in contesting the validity or ownership of the Marks. You must immediately notify us of any apparent infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks (or any mark confusing similar to the Marks). You may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We may take whatever action we deem appropriate in these situations; we have exclusive control over any settlement or proceeding concerning any Mark. 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.

We can require you to modify or discontinue the use of any Mark and to use other trademarks or service marks. If we adopt and use new or modified Marks, you may be required to add or replace equipment, 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 an amount unreasonably disproportionate to your original investment during the initial term of the 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.

We will reimburse you for all damages for which you are held liable in any proceeding arising out of your authorized use of any Mark and 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 and for expenses in removing signage o discontinuing your use of any Mark. We will not reimburse you in connection with disputes where we challenge your use of a Mark.

You must use the Marks as the sole trade identification of the Franchised Restaurant, but you may not use any Mark or part of any Mark as part of your corporate or other 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 if you apply for your own trademark or service mark registrations. 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 "POKÉ BAR" or any variation thereof without our prior written consent.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We own copyrights in the Confidential Operations Manual, our marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights. You may use these items only as we specify while operating the franchised restaurant and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use. There is no pending litigation involving the above copyrights. We are not aware of any infringing uses of our copyrights, nor are we a party to any agreements limiting their use. You will not acquire any ownership interests in the copyrights or our proprietary information because of the Franchise Agreement.

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 POKÉ BAR franchised restaurant. We will provide such trade secrets and other confidential information to you during training, in the Confidential Operations Manual and from the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for operating your franchised restaurant. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the franchised restaurant. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals associated to you or your entity with access to trade secrets or other confidential information may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third party beneficiary with the right to enforce those agreements.

You must promptly disclose to us all ideas, concepts, techniques or materials concerning the franchised restaurant and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees. Such intellectually property will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed. 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.

Your use of the Confidential Operations Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in ITEM 17.

You must promptly tell us when you learn about any unauthorized use of our proprietary information. We have no obligation to take any action, but will respond, as we believe appropriate.

If you used the proprietary information as we authorize, we will indemnify you from third party claims brought against you because of your proper use of this information.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED RESTAURANT

Your Franchise Agreement does not require you to personally participate in the operation of the business. If you do not, you must appoint a "Designated Manager" who will manage and be responsible for your Franchised Restaurant. The Designated Manager must attend and satisfactorily complete our initial training program before the opening of the Franchised Restaurant and any additional training we require after the opening of the Franchised Restaurant. You must keep us informed of the identity of your current Designated Manager. If you are a Developer, you must participate in a daily supervisory role maintaining communications and continuous reporting between yourself and your Designated Manager for each franchise you open. You or your Designated Manager must have completed the initial training provided to you, and comply with all applicable laws, rules and regulations..

As described in ITEM 14, certain individuals associated with your Franchised Restaurant may be required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third party beneficiary with the independent right to enforce the agreements.

If you are a corporation or other 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 Franchise Agreement. Such persons must also agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached to the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the services and products we specify periodically, in strict accordance with our standards and specifications. You may not sell any services or products that we have not authorized and you must discontinue offering any services or products that we may disapprove. We may periodically change required or authorized products or services. There are no limits on our right to do so. If we modify the System, you may be required to add or replace equipment, 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 or remodel the Franchised Restaurant.

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, either for the purpose of consumer or operational feedback or evaluation, your qualifications, and regional or local taste differences. We do not impose any restrictions that limit your access to customers.

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

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreement attached to this Disclosure Document. You should refer to your state's specific addenda attached to this Disclosure document for exceptions to this ITEM 17.

Provision	Section in Franchise or Other Agreement	Summary
a. Length of franchise term	Section 3.1.	Commences upon Effective Date and expires on the date ten years from the Effective Date.
b. Renewal or extension of the term	Section 3.2.	Option to renew for two additional 5 year terms.
c. Requirements for franchisee to renew or extend	Section 3.2.	Prior written notice; payment of renewal fee (Currently $10,000.); satisfy requirements of then existing Franchise Agreement and execute the same.

Provision	Section in Franchise or Other Agreement	Summary
d. Termination by franchisee	Section 26.	You may terminate this Agreement by written notice to Company for any reason constituting good cause, provided (i) you are not in default of any obligation under this Agreement when it serves written notice of default on Company, and (ii) termination is accomplished in accordance with the requirements of this Agreement. Good cause means that Company has committed a material and substantial breach of this Agreement that it has not cured within the period allowed by this Agreement.
e. Termination by franchisor without cause	None	
f. Termination by franchisor with cause	Section 26	We may terminate the Franchise Agreement if you default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.
g. "Cause" defined-curable defaults	Section 26	If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Confidential Operations Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default, except for the defaults below that require cure in a shorter time and non-curable defaults in (h) below. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of your failure to maintain insurance. If a default arises from

Provision	Section in Franchise or Other Agreement	Summary
		your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 5 days of receiving our notice of default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.
h. "Cause" defined- non-curable defaults	Section 26	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to timely select an approved site or establish, equip and begin operations of the franchised restaurant; made a material misrepresentation or omission in the application for the franchise; after notice to cure, fail to refrain from activities, behavior or conduct likely to adversely affect the reputation of either party or the franchised restaurant; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the franchised restaurant; use the trade secrets or other confidential information in an unauthorized manner; if required, fail to have your owners (and members of their immediate families and households), officers, directors, managers, executives, employees and professional staff, and other individuals having access to trade secrets or other confidential information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-competition agreements; abandon the franchised restaurant for 5 or more consecutive days; surrender or transfer control of the franchised restaurant in

Provision	Section in Franchise or Other Agreement	Summary
		an unauthorized manner; fail to maintain the franchised restaurant under the supervision of a Designated Manager following your death or disability; submit reports on 2 or more separate occasions understating any amounts due by more than 5%; are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks; fail on 2 or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; continue to violate any health, safety or other laws or operate the franchised restaurant 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 franchise agreement or comply with specifications; or default under any other agreement with us (or an affiliate) so that we (or the affiliate) have the right to terminate the agreement.

Provision	Section in Franchise or Other Agreement	Summary
i. Franchisee's obligations on termination/ non-renewal	Section 26 and 27	If the Franchise Agreement is terminated or not renewed, you must: stop operating the restaurant; stop using any trade secrets, confidential information, the System and the Marks; if requested, assign your interest in the franchise location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; return the Confidential Operations Manual, trade secrets and all other confidential information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of contract by franchisor	Section 25	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by franchisee-definitio n	Section 25	"Transfer" includes transfer of an interest in the franchise, the Franchise Agreement, the franchise location or the franchised restaurants assets.
l. Franchisor's approval of transfer by franchisee	Section 25	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for franchisor approval of transfer	Section 25	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 in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business

Provision	Section in Franchise or Other Agreement	Summary
		and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer;; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; and 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 Nondisclosure and Non-Competition attached to the Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 25	We may match an offer for your franchised restaurant or an ownership interest you propose to sell.
o. Franchisor's option to purchase franchisee's restaurant	None	

Provision	Section in Franchise or Other Agreement	Summary
p. Death or disability of franchisee	Section 25	After the death or incapacity of an owner of the franchise, his or her representative must purchase the interest owned or transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise to a qualified third party within 180 days of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 21	You, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff and employees are prohibited from: involvement in any other Poké restaurant or related business or in any business that provides supplies or services to other Members, attempting to divert any business or customer of the franchised restaurant to a competitive business 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 21	For 2 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers or professional staff are prohibited from engaging in or related to any Poké restaurant, directly or indirectly, through ownership or otherwise, that is conducted from the location and within 20 miles of the franchise locations at the time of expiration or termination.

Provision	Section in Franchise or Other Agreement	Summary
s. Modification of the agreement	Sections 28	The Franchise Agreement can be modified only by written agreement between you and us.
t. Integration/merger clause	Section 28	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 32	Subject to exceptions, any disputes to enforce, interpret any provision of the Franchise Agreement must be submitted to Arbitration.
v. Choice of forum	Section 29	Subject to state law, any litigation must be pursued in courts located in Los Angeles County, California.
w. Choice of law	Section 29	Subject to state law, California law applies, 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.) and disputes over copyrights will be governed by federal copyright laws of the United States.

[The remainder of this page is intentionally left blank.]

ITEM 18. PUBLIC FIGURES

We do not presently use any public figures to promote our franchise.

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 ITEM 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Yoon Ho Ju, 8539 West Sunset Boulevard #5 West Hollywood, California 90069.

[The remainder of this page is intentionally left blank.]

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2015 TO 2017				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Licensed	2015	0	0	0
	2016	0	5	5
	2017**	5	8**	3
Company-Owned	2015	0	3	3
	2016	3	9	6
	2017**	9	15**	6
Total Outlets*	2015	0	3	3
	2016	3	14	11
	2017**	14	23**	9

* This chart includes both franchised and company-owned POKÉ BAR franchised restaurants. As of the date of this Disclosure Document, there are 15 company-owned franchised restaurants in operation and 8 franchised restaurants that will have been operating under a license agreement before the effective date of this Disclosure Document. Our goal is to convert these stores into franchised restaurants once this Disclosure Document becomes effective.

** As of the Date of this Disclosure Document

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2015 TO 2017		
State	**Year**	**Number of Transfers**
California	2015	0
	2016	0
	2017**	0
Total*	2015	0
	2016	0
	2017**	0

* As of the date of this Disclosure Document, there are no franchisees who have had an outlet terminated, cancelled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the Disclosure Document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise System.

** As of the Date of this Disclosure Document

Table No. 3

STATUS OF FRANCHISE OUTLETS FOR YEARS 2015 TO 2017								
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**
California	2015	0	0	0	0	0	0	0
	2016	0	5	0	0	0	0	5
	2017**	5	3					8
Total *	2015	0	0	0	0	0	0	0
	2016	0	5	0	0	0	0	5
	2017**	5	3					8

* As of the date of this Disclosure Document, there are 8 franchise locations opened, and no franchisees who have had an outlet terminated, cancelled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have no communicated with us within 10 weeks of the Disclosure Document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise System.

** As of the Date of this Disclosure Document

Table No. 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2015 TO 2017							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of the Year**
California	2015	0	3	0	0	0	3
	2016	3	5	0	0	0	8
	2017**	5	2				10
Total*	2015	0	3	0	0	0	3
	2016	3	6	0	0	0	9
	2017**	9	4				15

** As of the Date of this Disclosure Document

Table No. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2017			
State	**Franchise Agreements Signed But Outlets Not Yet Opened**	**Projected New franchised Outlets In The Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
California	0	6	1
Total*	0	6	1

* We project the opening of 6 POKÉ BAR franchised restaurants during our fiscal year ending December 31, 2017. We have 8 licensees. We own and operate 15 number of POKÉ Bar franchised restaurants.

Current Franchisees:

1. Poke Bar Dice & Mix Cerritos: 11336 ½ South Street Cerritos, CA 90703; 562-865-2300
2. T Poke Bar, Inc,: 21219 Hawthorne Blvd, Torrance, CA 90502; 310-316-1121
3. Solid Kwak Inc. 1120 Hermosa Ave, Hermosa Beach, CA ; 424-247-9519
4. KP Dining Group: 350 S. Grand Ave Ste B2, Los Angeles, CA 90071; 213-613-9972
5. Poke Bar Riverside, Inc.: 3740 Iowa Ave #108, Riverside, CA 92507; 951-405-8233

6. Rue-Ell Enterprises, Inc.: 2433 E. Durant Ave, Berkeley, CA 94704; 510-280-5681
7. TMTA Inc.: 5273 West Olympic Blvd Los Angeles, CA 90036; 323-424-3313
8. Moon Kuk Lee: 100 W. Green Street, Pasadena, CA 91105; 626-486-2668

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with POKÉ BAR. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit F are the audited financial statements of POKÉ BAR as follows:

(i) Consolidated balance sheet for fiscal years ending as of December 31, 2015 and December 31, 2016;

(ii) Consolidated statement of operations for fiscal years ending as of December 31, 2015 and December 31, 2016;

(iii) Stockholders equity for fiscal years ending as of December 31, 2015 and December 31, 2016;

(iv) Consolidated cash flows for fiscal years ending as of December 31, 2015 and December 31, 2016;

Our fiscal year end is December 31.

ITEM 22. CONTRACTS

The POKÉ BAR Franchise Agreement is attached to this Disclosure Document as Exhibit C.

The POKÉ BAR Guaranty is attached to the Franchise Agreement as Exhibit 5.

The POKÉ BAR Nondisclosure and Non-Competition Agreement is attached to the Franchise Agreement as Exhibit 7.

ITEM 23. RECEIPTS

Our copy and your copy of the disclosure document Receipts are located on the last 2 pages of this disclosure document.

JB Brother's Inc. d/b/a Poke Bar

LIST OF STATE ADMINISTRATORS

Exhibit A to the Disclosure Document

EXHIBIT A TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

The following is a list of state administrators responsible for registration and review of franchises for these states. We may register in one or more of these states.

California
Department of Corporations
71 Stevenson Street, Suite 2100
San Francisco, California 94105

Commissioner of Corporations
320 W. 4th Street, Suite 750
Los Angeles, California 90013

Commissioner of Corporations
1515 K. Street, Suite 200
Sacramento, California 95814
(866) 275-2677 Toll Free

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

Florida
Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, Florida 32399-6500

Hawaii
Commissioner of Securities
Department of Commerce & Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana
Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Kentucky
Office of the Attorney General
Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, Kentucky 40601-8204

Maine
Department of Professional and Financial Regulations
Bureau of Banking
Securities Division
121 Statehouse Station
Augusta, Maine 04333

Maryland
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan
Department of the Attorney General
Consumer Protection Division, Franchise Unit
525 Ottawa Street
G. Mennen Williams Building, 6th Floor
Lansing, Michigan 48909

Minnesota
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101

Nebraska
Nebraska Department of Banking and Finance
Commerce Court
1230 O Street, Suite 400
Lincoln, Nebraska 68509

New York
Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

North Carolina
Secretary of State
Securities Division
300 North Salisbury Street, Suite 100
Raleigh, North Carolina 27603-5909

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5^{th} Floor
Department 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Division of Securities, Suite 232
233 Richmond Street
Providence, Rhode Island 02903

South Carolina
Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, South Carolina 29201

South Dakota
Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Texas
Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, Texas 78701

Utah
Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, Utah 84114-6704

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9^{th} Floor
1300 East Main Street
Richmond, Virginia 23219

Washington
Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703

JB Brother's Inc. d/b/a Poke Bar

LIST OF STATE AGENT OF PROCESS

Exhibit B to the Disclosure Document

EXHIBIT B TO THE DISCLOSURE DOCUMENT

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

California
Department of Corporations
71 Stevenson Street, Suite 2100
San Francisco, California 94105

Commissioner of Corporations
320 W. 4th Street, Suite 750
Los Angeles, California 90013

Commissioner of Corporations
1515 K St., Suite 200
Sacramento, California 95814
(866) 275-2677

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

Hawaii
Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana
Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Maryland
Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan
Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

Minnesota
Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101

New York
Secretary of the State of New York
41 State Street
Albany, New York 12231

North Dakota
North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505-0510

Rhode Island
Division of Securities
Suite 232
233 Richmond Street
Providence, Rhode Island 02903

South Dakota
Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Virginia
Clerk, State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington
Director, Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin
Commissioner of Securities
345 West Washington Street, 4th Floor
Madison, Wisconsin 53703

JB Brother’s Inc. d/b/a Poke Bar
Franchise Agreement

Exhibit C to the Disclosure Document

JB BROTHERS, INC.

FRANCHISE AGREEMENT AND ATTACHMENTS

TABLE OF CONTENTS

Section Number	Heading	Page
1.	GRANT OF FRANCHISE	1
2.	RESERVED AREA, SITE, AND OUR RESERVATIONS OF RIGHT	2
3.	TERM OF FRANCHISE	3
4.	PERSONAL ATTENTION OF FRANCHISEE OR MANAGER TO BUSINESS	3
5.	ESTABLISHMENT AND MAINTENANCE OF BUSINESS	3
6.	CONTINUOUS OPERATION OF BUSINESS	5
7.	LIMITATIONS ON ACTIVITIES OF BUSINESS	5
8.	PRICING; GIFT CARDS; INCENTIVE OR CONVENIENCE PROGRAMS	6
9.	FEES PAYABLE TO US	7
10.	PRODUCTS AND SERVICES FURNISHED BY US	8
11.	TRAINING	9
12.	CONFIDENTIAL OPERATIONS MANUAL; ADDITIONAL MANUALS AND MATERIALS	10
13.	ACCOUNTING PROCEDURES	11
14.	EQUIPMENT, SOFTWARE, SUPPLIES, PRODUCTS AND SERVICES	12
15.	DESIGN AND APPEARANCE OF BUSINESS	13
16.	ADVERTISING AND PROMOTION	14
17.	INSURANCE	15
18.	LEGAL COMPLIANCE, TAXES, LICENSES, UTILITIES AND OTHER OBLIGATIONS	17
19.	PROPRIETARY MARKS	17
20.	TRADE SECRETS AND CONFIDENTIAL INFORMATION	19
21.	NON-COMPETITION	20
22.	INSPECTION BY US	21
23.	FRANCHISEE AS INDEPENDENT CONTRACTOR	22
24.	INDEMNIFICATION	23
25.	TRANSFERS OF INTEREST	24

26. DEFAULT AND TERMINATION 28
27. OBLIGATIONS ON REPURCHASE, EXPIRATION OR TERMINATION 31
28. ENTIRE AGREEMENT; EXECUTION DATE; MODIFICATION 33
29. INTERPRETATION 33
30. PARTIAL INVALIDITY 34
31. WAIVER AND ESTOPPEL; FORCE MAJEURE 34
32. ARBITRATION; ENFORCEMENT 35
33. NOTICES 36
34. ACCEPTANCES, APPROVALS AND CONSENTS 36
35. ACKNOWLEDGMENTS BY FRANCHISEE 36

Attachments:

1A Reserved Area Addendum
1B Site Addendum
2 Telephone and Internet Service Transfer Consent and Authorization
3 ACH Origination Authorization
4 Legal Entity Information Sheet
5 Guaranty Agreement
6 Lease Addendum
7 Confidentiality and Non-Competition Agreement

<u>**FRANCHISE AGREEMENT**</u>

THIS FRANCHISE AGREEMENT ("Agreement") is entered into between JB Brothers, Inc., a California corporation doing business as "POKE BAR Dice & Mix™" ("POKE BAR")with its principal office at 8539 West Sunset Boulevard #5, West Hollywood, California 90069 ("we", "us" or "our"), and ____________________, a ____________________ ________ with its principal office at ________________________________ ("you" or "your").

RECITALS

A. We have expended time, skill, money and effort to develop a system for establishing and operating POKE BAR quick service/fast casual food service business primarily serving poke bowls, which consist of raw fish salads using a variety of fish and other kinds of seasonings (the "System").

B. We also have expended time, skill, money and effort in publicizing the System and the products and services offered under the System. We have developed and will continue to develop valuable goodwill in the service mark, trademark and trade name POKE BAR, and in its trade dress; and have or may develop or acquire other service marks, trademarks, trade names and trade dresses for use under the System, all of which marks, names and dresses are or will be our sole property (the "Marks").

C. We franchise others to use the System and the Marks, and provide to you continuing advice on the establishment and operation of a POKE BAR business.

D. You desire to establish and operate a POKE BAR business, to use the Marks and all other elements of the System, and to derive the benefits of the System as developed by us. You acknowledge that it is essential to the maintenance of the high standards which the public has come to expect of POKE BAR products and services, and to the preservation of the integrity and goodwill of the Marks, that you adhere to the standards for the establishment and operation of a POKE BAR business.

In consideration of the recitals above and of the terms below, we and you agree:

1. <u>**GRANT OF FRANCHISE**</u>

1.1 Subject to the terms of this Agreement, we grant to you the right, and you undertake the duty, to establish and operate _____ (__) POKE BAR business (the "Franchised Business") for the term described in Section 3 (the "Franchise").

1.2 The Franchise includes the right and obligation to sell POKE BAR products and services.

1.3 The Franchise includes the right and obligation to use the complete System, as it exists or may be supplemented or modified during the term of the Franchise. You agree that the System will continue to evolve to reflect changing market conditions and to meet new and changing consumer demands, and that variations and additions to the System may be required to preserve and enhance the public image of the System and to ensure the continuing operational efficiency of POKE BAR businesses generally. Accordingly, you agree that we may, on notice and acting reasonably, add to, modify, upgrade and change the System, including the adoption and use of new and modified, upgraded or changed service marks, trademarks, trade names, trade dresses, equipment, techniques and methodologies relating to the preparation, marketing, promotion and sale of POKE BAR products and services, but any additions, modifications, upgrades or changes may not unreasonably increase your obligations under this Agreement or place an excessive economic burden on the Franchised Business. You further agree to promptly accept, implement, use and display in the operation of the Franchised Business all of those additions, modifications, upgrades and changes at your expense.

2. RESERVED AREA, SITE, AND OUR RESERVATIONS OF RIGHT

2.1 Reserved Area. If you have not located a site for the Franchised Business by the time of execution of this Agreement, you agree that you will seek to locate the Franchised Business only at a site acceptable to us within the geographic area ("Reserved Area") identified in the Reserved Area Addendum (Attachment 1A).

2.2 Site. When you have located a site for the Franchised Business acceptable to us, the site will be identified in the Site Addendum (Attachment 1B). If the possession or ownership of or lease for the site of the Franchised Business expires or terminates without fault of you, or if the site is destroyed, condemned or otherwise rendered unusable, or if in our judgment there is a change in character of the site of the Franchised Business sufficiently detrimental to its business potential to warrant its relocation, we may grant you permission to relocate the Franchised Business to another site acceptable to us within the Territory. Any relocation will be at your sole expense.

2.3 Our Reservations of Right. We, on behalf of ourselves and our affiliates, designees and assignees, reserve the sole and absolute right, without offering you the right to participate:

(a) to establish and operate, and to grant to others the right to establish and operate, POKE BAR businesses at locations anywhere in or outside the Reserved Area, including locations near the Franchised Business's boundaries;

(b) in or outside the Reserved Area, to establish and operate, and to grant others the right to establish and operate, POKE BAR businesses that are located within non-traditional venues, such as convention centers, airports, hotels, sports facilities, theme parks, hospitals, transportation facilities, venues in which master concessionaires provide foodservice, and similar captive market locations;

(c) in or outside the Reserved Area, to sell any products or services, using POKE BAR trademarks or different trademarks, through alternative channels of distribution, such as grocery stores, convenience stores, mobile vans or trucks and the Internet;

(d) to acquire and continue to operate, directly or indirectly, any business operating under different trademarks in or outside the Reserved Area;

(e) to acquire and retain, directly or indirectly, the rights and obligations of any franchisor or licensor of any business operating under different trademarks in or outside the Reserved Area;

(f) in or outside the Reserved Area, to establish and promote other franchise systems involving different products or services using different trademarks, and to establish company-owned or franchised outlets for those systems;

(g) to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any other person, including a competing business, even if such person operates, franchises and/or licenses businesses in close proximity to the Franchised Business; and/or

(h) to engage in other activities not expressly prohibited by this Agreement.

3. **TERM OF FRANCHISE**

3.1 Initial Term. The Franchise will begin on the date we execute this Agreement, will continue for an initial term of 10 years unless sooner terminated under Section 26, and will expire at the end of the initial term or any renewal term unless renewed under Section 3.2.

3.2 Renewal Terms. You will have the option to renew the Franchise for one successive 10-year term, if:

(a) You have given us written notice, not more than 1 year and not less than 180 days before the expiration of the prior term, of your intention to renew;

(b) You are in substantial compliance with this Agreement or the then-current franchise agreement at the time of renewal;

(c) None of your members have been convicted of a felony or a crime involving moral turpitude, consumer fraud or any other offense that is reasonably likely, in our sole judgment, to have an adverse effect on the Marks, the System, the goodwill associated with the Marks or System, or our interest in the Marks or System;

(d) You will be responsible for a renewal fee of ten thousand dollars ($10,000.00) for each Franchised Business.

4. **PERSONAL ATTENTION OF FRANCHISEE OR MANAGER TO BUSINESS**

4.1 Your principal operating officer, partner or member, or a Manager who has successfully completed all required initial training, must personally manage the Franchised Business at all times.

4.2 You understand and agree that the success of the Franchised Business will depend on personal, continued and full-time attention to the Franchised Business by you, your principal operating officer, partner or member, or your Manager. Personal, continued, and full-time attention will include at least: availability during normal and peak business periods; participation in the development and implementation of management and operational policies; involvement in the training and supervision of employees and independent contractors; and ensuring that the System is followed.

5. **ESTABLISHMENT AND MAINTENANCE OF BUSINESS**

5.1 Selection of Site. You represent that you own or will purchase or sign a lease for the site of the Franchised Business in accordance with our requirements. For purposes of this Agreement, the term “lease” includes a sublease.

If the site of the Franchised Business has not been located by you and accepted by us before execution of this Agreement, it is your obligation to locate and lease or purchase a site suitable for the operation of the Franchised Business and acceptable to us in the Reserved Area within 6 months after execution of this Agreement. If you are delayed from completing the purchase or signing a lease for the site within 6 months, you must promptly provide us with a written request to extend the time to complete the purchase or sign the lease. The request must state: (1) that a delay is anticipated; (2) the reasons which caused the delay; (3) the efforts that you are making to proceed with the purchase or lease; and (4) an anticipated date that you will close on the purchase or sign the lease. In considering the request, we will not unreasonably withhold our consent to a delay, up to a maximum of 60 days, if you have been diligently pursuing locating a site and closing on a purchase or signing a lease for the site. We will give you notice of acceptance or rejection of the proposed site within a reasonable time after receiving written notice of your proposed site and letter of intent or other evidence satisfactory to us confirming your favorable prospects of obtaining the proposed site.

5.2 Ownership of or Lease for Site. Any lease or replacement lease for the site, or any lease for acceptable substitute site, must include the Lease Addendum attached to this Agreement as Attachment 6 or equivalent provisions in place of the addendum that we approve. You agree to provide us with a copy of the lease before execution, and you agree not to sign the lease until you have received our written approval. Our lease review will cost a flat fee of $500.00. You agree not to modify the lease in any way that would adversely affect our rights without our written approval. Your execution of a lease or purchase agreement for the site of the Franchised Business will constitute acceptance by you of the site and of the terms of the lease or purchase agreement, and a waiver of any claim or right against us relating to the choice of the site or the terms of the lease or purchase agreement. You acknowledge that our acceptance of any site does not constitute any assurance that the Franchised Business will be profitable at that site or more profitable at that site in comparison to other sites. Our acceptance is only an indication that the particular site meets our minimum criteria for size and build-out construction purposes.

5.3 Development of Business. You agree to develop the Franchised Business in accordance with our specifications. You will, promptly after obtaining possession of the site of the Franchised Business, and before opening, do or cause to be done all of the following:

(a) Before building out the site of the Franchised Business, prepare and submit to us for acceptance, which will not be unreasonably withheld, plans for the Franchised Business (or any deviations from the plans) (including, but not limited to, plans for construction, dimensions, exterior design, materials, interior layout, equipment installation, fixtures, furniture, signs and decorating), which plans will comply with our specifications for a POKE BAR business. In connection with the preparation and any modification of the plans, we will provide you with assistance regarding the design and layout of the Franchised Business (including a preliminary layout for the premises), and the selection of equipment and supplies. After being accepted, the plans may be further modified only to the extent necessary to comply with applicable ordinances and building codes, and applicable permits, lease and deed requirements and restrictions. All plans and modifications will be subject to our prior written acceptance.

(i) We may require you to use our approved Architect and Graphic Designer for building out the site. Our Architect and Graphic Designer will provide the blueprints and 3D rendering of the site.

(b) Obtain all required building, driveway, utility, health, safety, sign and business permits and licenses, and any other required permits and licenses necessary for the establishment and operation of the Franchised Business, including any required liquor license.

(c) Construct all required improvements to the premises, decorate the premises in compliance with plans and specifications accepted by us and otherwise conform the premises to all applicable ordinances and building codes, and all applicable permit, lease and deed requirements and restrictions and our specifications, as modified by you with our prior written approval to fit the particular site, and obtain all customary contractors' sworn statements and partial and final waivers of liens for construction, remodeling, decorating and installation services.

(d) Purchase, lease and install all equipment, fixtures, furniture and signs required for the Franchised Business as listed in our specifications.

5.4 Equipment, Fixtures, Furniture and Signs. You agree to use in the operation of the Franchised Business only those brands and models of equipment, fixtures, furniture and signs that we have approved for POKE BAR businesses as meeting our standards and specifications. Specifications may include minimum standards for design, appearance, function, performance, serviceability and warranties. You further agree to place or display at the premises of the Franchised Business (interior and exterior) only the signs, emblems, lettering, logos and display materials that we approve in writing. You may purchase approved brands and models of equipment, fixtures, furniture and signs from any supplier, including our recommended suppliers where applicable. If you propose to purchase any brand and/or model of equipment, fixture, furniture or sign which is not then approved by us, you will first notify us and will submit to us, on our request, sufficient written specifications, photographs, drawings and/or other information or samples for a determination by us of whether the brand and/or model of equipment, fixture, furniture or sign complies with our standards and specifications, which determination will be made and communicated to you within a reasonable time. We will have the right to charge you a reasonable amount to cover the expenses incurred by us for any testing or inspection.

5.5 Business Opening. You agree to complete improvements and open for business within 12 months after signing the franchise agreement, subject to our opening schedule availability. If you are delayed from opening within 12 months, you must promptly provide us with a written request to extend the time to open. The request must state: (1) that a delay is anticipated; (2) the reasons which caused the delay; (3) the efforts that you are making to proceed with opening; and (4) an anticipated date that you will open. In considering the request, we will not unreasonably withhold our consent to a delay, up to a maximum of 60 days, if you have been diligently pursuing opening.

6. **CONTINUOUS OPERATION OF BUSINESS**

6.1 You must operate the Franchised Business on a continuous basis throughout the year, and must be open for business each week for the minimum hours and minimum days stated in our manuals, unless you are limited by local government regulation or you obtain a written variance from us.

7. **LIMITATIONS ON ACTIVITIES OF BUSINESS**

7.1 In order to preserve the System and the identification of POKE BAR franchisees operating under the Marks, you agree that the Franchised Business will not engage in activities other than those approved under the System. You may offer carry-out service and catering services in accordance with the System.

7.2 You may not engage in any deceptive or unfair trade practice or other activity, or offer any service or product which is harmful to the goodwill or reputation of you, us, our franchisees generally, the System or the Marks.

7.3 You must maintain the menu for the Franchised Business in the form provided or specified by us. We may require you to modify the menu on reasonable notice. You may modify the menu only with our prior written consent subject to the following procedures:

(a) You must submit to us, in writing, any proposed menu modifications;

(b) You must submit to us, if we request, samples of any proposed new or modified menu items;

(c) Within 60 days, we will notify you, in writing, whether any proposed menu modifications, or any proposed new or modified menu items, items have been approved or disapproved; and

(d) You must reimburse us or our designee for any costs incurred in reviewing or testing any proposed menu modifications, or any proposed new or modified menu items.

7.4 You may maintain your own website in connection with the Franchised Business on the Internet, or on any comparable electronic network of computers or other devices with prior written approval by us.

7.5 You may participate in electronic communications in connection with the Franchised Business, on the Internet or on any comparable electronic network of computers or other devices, through emails, social media platforms or other means, only in accordance with our manuals and our written instructions particular to the communications.

8. **PRICING; GIFT CARDS; INCENTIVE OR CONVENIENCE PROGRAMS**

8.1 Pricing. We will provide you with our standard pricing schedule for products and services offered by the Franchised Business. We encourage you to charge the prices in the standard pricing schedule as it is in effect and as it may be revised from time to time, but you will have the right to sell your products and services at any prices you determine, except to the extent that we exercise our right to establish minimum or maximum prices for any products or services. If you sell your products and services at the prices in the standard pricing schedule, you acknowledge that we have made no guarantee or warranty that offering the products or services at those prices will enhance your sales or profits. Regarding our right to establish minimum or maximum prices, to the fullest extent permitted by applicable law, we may establish minimum or maximum prices for certain products and services, in our sole discretion, on a nationwide or advertising market basis, or on a limited-time-only or longer-term basis. If we establish any minimum or maximum prices, you will have the right to charge any prices above the minimum prices or below the maximum prices, but will not have the right to charge prices below the minimum prices or above the maximum prices.

8.2 Gift Cards. We reserve the right to establish policies regarding the use of gift cards, stored value cards, courtesy cards, coupons, loyalty cards and other comparable marketing items for you and others. You agree that the Franchised Business will offer for sale only the gift cards, stored value cards, courtesy cards, coupons, loyalty cards and other comparable marketing items that we may authorize and/or require. You will not sell or otherwise issue gift cards, stored value cards, courtesy cards, coupons, loyalty cards or comparable marketing items without our express written authorization and we will have the right to withdraw or modify our authorization at any time. You will honor all validly issued gift cards, stored value cards, courtesy cards, coupons, loyalty cards or other comparable marketing items and will strictly follow all policies and procedures that we may periodically establish in this regard.

8.3 Incentive or Convenience Programs. You acknowledge and agree that incentive or convenience programs may be effective methods to encourage customer visits to the Franchised Business. You must offer for sale and honor any incentive or convenience programs for customers that we periodically institute, and must do so in compliance with any standards and specifications that we establish for such programs in our manuals or otherwise in writing.

9. **FEES PAYABLE TO US**

9.1 Initial Franchise Fee. You must pay us or our designee on signing, an initial franchise fee of $30,000.00. This fee is non-refundable and fully earned by us when paid.

9.2 Continuing Franchise Fee. You must pay us or our designee a continuing franchise fee of 6% of Gross Sales (as defined in Section 9.11). This fee is due and payable twice per month, on the 10^{th} and the 25^{th}, which covers the preceding sales for the first and second half of the month, by electronic transfer. We or our designee will initiate the draft from your bank account. Each month, we require you to send us and/or our designee the "Monthly Franchise Report" then-specified in our manuals. During any period of business disruption, you must continue to pay us or our designee this fee based on your average weekly payments during the 12-week period immediately preceding the period of business disruption.

9.3 Advertising and Promotional Fund Contributions. See Section 16.

9.4 Training Fees. See Sections 11.2(b) and (d), 11.4 and 11.5.

9.5 Annual Conference Fee. See Section 11.2(c).

9.6 Audit Fee. See Section 13.7.

9.7 Renewal Fee. See Section 3.2(d).

9.8 Transfer Fee. See Section 25.2(b)(viii).

9.9 Interest and Late Fees. If any sum you must pay us or our designee under this Agreement is not actually received by us or our designee by the due date, that sum will bear interest calculated daily after the due date until paid at the higher of a rate equal to 10% per annum or the highest rate of interest allowed by law. If the due date for a sum is not stated in this Agreement, generally it will be the 30th day after the billing date. Any payment received toward an overdue sum will first be applied to the interest due and will be applied to the overdue sum only after all outstanding interest is paid. You also must pay a late fee of $100 for each past due payment or late report. Interest and late fees will be in addition to any other rights or remedies that we have under this Agreement or otherwise. Regardless of your designation, we, in our sole discretion, may apply your payments to any of your past due indebtedness to us or our designee.

9.10 Reimbursements for Bank Charges, Etc.. You must reimburse us or our designee for any charges that we or our designee incur on your returned checks, declined charges or similar financial defaults.

9.11 Gross Sales. For purposes of this Agreement, "Gross Sales" mean all receipts of the Franchised Business, including all amounts received on a cash, charge or time basis, and including the value of all products or services received for products or services provided, without reserve or deduction for inability to collect, and including any proceeds from any business interruption or similar insurance applicable to any revenue loss of the Franchised Business, but excluding: excise, sales and use taxes; gross receipts taxes or similar taxes separately stated to and collected from customers for transmittal to appropriate taxing authorities; bona fide discounts and refunds to customers; and receipts from pre-approved vending machines located in the Franchised Business, except for any amounts representing your share of the receipts. Our current policy on coupons and gift cards is as follows: Coupons generate receipts that are included in "Gross Sales" when they are redeemed by customers. At that time, the full retail prices of the items sold under the coupons are included in receipts, and the discounts given under the coupons are excluded as bona fide discounts when calculating "Gross Sales." Gift cards generate receipts that are included in

"Gross Sales" when they are redeemed by customers, not when they are sold. We may change this policy on reasonable written notice to you.

9.12 Withholding of Sums Payable. You agree that you will not, on grounds of the alleged non-performance by us or our designee of any of our obligations under this Agreement, withhold payment of any fee or other sum payable by you under this Agreement.

9.13 Equipment, Supplies or Supplier Testing or Inspection, and Grant or Approval of Equipment, Supplies or Suppliers. See Section 14.2.

9.14 Electronic Payment Authorization. You must pay all on-going or periodic fees to us or our designee by automatic bank draft or electronic funds transfer on the due date that we or our designee specify for each fee. If the due date specified for any fee is not a business day, we or our designee will draft your account on the next business day. You agree to execute Attachment 3 or any comparable documentation necessary for us or our designee to effect an automatic bank draft or electronic funds transfer.

9.15 Prohibited Product or Service Fee. If you offer any product or service that we have not authorized or approved, you must: (i) cease and desist offering or providing the unauthorized or unapproved product or service; and (ii) pay us or our designee on demand, a prohibited product or service fee of $250 per day for each day such unauthorized or unapproved product or service is offered by you. This fee will be in addition to all other remedies available to us under this Agreement or at law.

10. PRODUCTS AND SERVICES FURNISHED BY US

10.1 During the term of the Franchise, we provide the following:

(a) Our standard pricing schedule for products and services offered by the Franchised Business;

(b) Samples of initial advertising and promotional materials and assistance in implementing an initial advertising and promotional program;

(c) Periodic efforts to report improvements in the System to you as they are developed or acquired by us in our sole discretion;

(d) Continuing assistance by telephone, electronic mail, voice mail, facsimile, mail, newsletters, or other methods, that we, in our sole discretion, deem reasonable under the circumstances;

(e) Manuals and related materials other than the Confidential Operations Manual, and updates to those manuals and related materials, that we, in our sole and absolute judgment, select (paper copies or Intranet access);

(f) Assistance with site selection, construction, set-up and opening;

(g) Guidance in initially organizing your business;

(h) In connection with the operation of the Franchised Business, provide reviews and analyses of your operations; and

(i) Intranet access to franchisee resources and company news.

10.2 If you request, we will furnish special guidance and assistance relative to the operation of the Franchised Business, at per diem charges we establish (currently $500 per day, plus our out-of-pocket expenses). If you request special training of your personnel or other assistance in operating the Franchised Business that must take place at the location of the Franchised Business, you must pay all expenses for training, including our then-current per diem charges and all reasonable transportation, meal and lodging expenses incurred by our personnel supplying the additional assistance.

10.3 We will maintain a website (or multiple websites) on the Internet, or on comparable electronic networks of computers or other devices, to advertise and promote the POKE BAR system, and products and services marketed by us and our franchisees. We will permit you to maintain a standard listing on our primary website, and we may charge a reasonable fee for providing this access. We may link our website(s) to other websites, to social media platforms and in other manners we choose, in our sole discretion. Any representations and warranties of any kind whatsoever, express or implied, regarding our website(s), including representations and warranties as to the operation, functionality, lack of interruption or resources of our website(s), are expressly excluded. Without limiting the foregoing, we disclaim any implied warranties of merchantability and fitness for a particular purpose as to our website(s). As to any malfunctioning of our website(s), we will not be liable to you for any consequential, incidental, indirect, economic, special, exemplary or punitive damages, such as, but not limited to, loss of revenue or anticipated profits or lost business, even if you have advised us that these damages are possible as a result of any breach of warranty or malfunction.

10.4 Our obligations under this Agreement are to you. We may delegate our obligations to a third party of our choosing. No other person or entity, directly, indirectly or by subrogation, may rely on, enforce or obtain relief under this Agreement for any default by us or our designated representatives.

11. **TRAINING**

11.1 You and your employees and independent contractors must maintain the standards of skill, efficiency and quality associated with the System.

11.2 To assist you in establishing and maintaining those standards, we will provide assistance and training as follows:

(a) We will provide your principal operating officer, partner or member), and your original Manager and assistant Manager, if any, initial training for the operation of a POKE BAR business, at locations we designate. Your principal operating officer, partner or member, and your original Manager, if any, must successfully complete initial training to our satisfaction before opening the Franchised Business. You will bear the cost of providing initial training, including the cost of basic materials and instructors, and you must pay your trainees' travel, lodging and meal expenses, and their wages and benefits, during the training. (Current per diem cost is $500/day excluding out-of-pocket expenses).

(b) If the original or any succeeding Manager leaves your employ, a replacement Manager must successfully complete initial training at a location we designate, subject to our scheduling, within 8 weeks of the date of replacement. You must pay your replacement Manager's travel, lodging and meal expenses, and his or her wages and benefits, during the training. You must pay us or our designee our then-current training fee (currently $500 per person per day) as to that training, if we provide replacement Manager training to you more than once per calendar year.

(c) At our option, we may conduct annual conferences for our franchisees to discuss and review new business and marketing. The conferences may be held on a regional or national basis. We will provide you with notice of the times and places of the conferences, which times and places we will determine. Your principal operating officer, partner or member, and your Manager, if any, must attend each conference. For each of your representatives attending a conference, you must pay a non-refundable per-attendee fee to us or our designee equal to the approximate pro-rata out-of-pocket cost of holding the conference, and you also must pay your attendees' travel, lodging and meal expenses, and their wages and benefits, during the conference.

(d) Your principal operating officer partner or member, and your Manager, if any, must successfully complete remedial or follow-up training if, in our sole and absolute judgment, that training is necessary. You will bear the cost of providing remedial or follow-up training, and you must pay your Manager's travel, lodging and meal expenses, and his or her wages and benefits, during the training.

11.3 Except as provided in this Section 11, you, your trained Manager (if any) or your other trained personnel are responsible for training your other employees and independent contractors.

11.4 If you request our or our designee's trainers to give any initial, remedial or follow-up field assistance at your location, you must pay us or our designee our per diem charges (currently $500 per person per day) for those trainers, and must reimburse us or our designee for the reasonable travel, lodging and meal expenses of those trainers.

11.5 We may require you to make reservations for trainees or attendees in advance of any training or conference. We may require deposits for those reservations (which may be refunded or, in our sole discretion, applied toward training or conference fees) and may charge cancellation fees if reservations are cancelled.

12. CONFIDENTIAL OPERATIONS MANUAL; ADDITIONAL MANUALS AND MATERIALS

12.1 We have developed a copyrighted Confidential Operations Manual containing both mandatory standards and specifications, and non-mandatory guidelines and recommendations, for the operation of the Franchised Business. The mandatory standards include mandatory policies and procedures. The Confidential Operations Manual is and will remain our exclusive property. You will merely be lent paper or read-only disk copies of, or be given Intranet access to, the Confidential Operations Manual during the term of the Franchise. We also may lend you paper copies or read-only disk copies of, or give you Intranet access to, additional manuals and materials we develop for aspects of the System. In order to protect our reputation and goodwill, the System and the Marks, you must operate the Franchised Business in strict conformance with the Confidential Operations Manual and any additional manuals or materials we develop that are lent to you.

12.2 You agree that we may modify the System, and that modifications to the System may require modifications to our manuals, including the Confidential Operations Manual. You agree to operate the Franchised Business in strict conformance with any modifications to our manuals. Modifications will be effective on receipt by you, unless we otherwise state.

12.3 The mandatory standards and specifications in our manuals, and any modifications to them that we make, are provisions of this Agreement as if fully stated in this Agreement. All references in this Agreement to the "Confidential Operations Manual" or "our manuals" mean to the mandatory standards and specifications in those manuals, including all modifications to them as of the time they are in effect.

12.4 You must at all times ensure that any paper or read-only disk copies of our manuals are up-to-date and kept in a secure place. If there is any dispute as to their contents, the master copies of our manuals maintained at our headquarters will be controlling.

12.5 You must treat the Confidential Operations Manual, and the other manuals and materials we develop and provide to you, as confidential, and must take all reasonable precautions to maintain the manuals' and materials' confidentiality. You may not, without our written consent, copy, duplicate, record or otherwise reproduce the Confidential Operations Manual, or the other manuals or materials we develop and provide to you, in whole or in part, or otherwise make the same available to any person who is not bound by the confidentiality terms of this Agreement, or who has not signed a separate confidentiality agreement substantially similar to our approved form (see Section 20.2).

13. **ACCOUNTING PROCEDURES**

13.1 You must use computerized record-keeping and accounting systems as we require.

13.2 You recognize the importance of financial and statistical analysis, and agree to provide us with weekly and monthly reports in the forms and at the times and places required in our manuals. All financial information you provide to us must be prepared in accordance with accounting methods we accept.

13.3 You must provide us annually, within 3 months after your fiscal year end, with a statement of revenues, expenses and income (or loss) for the year, and a statement of assets and liabilities as of the end of the year, which statements must be prepared in accordance with accounting methods we accept. At our option, we may require this statement to be prepared by an independent certified public accountant in accordance with the standards for a compilation. Simultaneously with this statement, you must provide us with copies of all tax returns you file for the year as to the Franchised Business, including federal and state income tax returns.

13.4 You must submit to us any other financial or statistical reports, records, statements or information that we reasonably deem to be required or desirable, in the forms and at the times and places we reasonably state, in our manuals or otherwise in writing.

13.5 All financial or statistical information you provide to us must be accurate and correct in all material respects.

13.6 We have the right to use any financial or statistical information you provide as we deem appropriate. We will not identify you as the source of that information, and will not disclose any information shown in any of your tax returns (other than information disclosed in other documents submitted to us) except: (i) with your permission; (ii) as required by law or compulsory order; or (iii) in connection with audits or collections under this Agreement.

13.7 During and for 5 years after the term of the Franchise, we or our designated agents have the right, at all reasonable times, to examine, copy and audit your and the Franchised Business' books, records and tax returns. If an examination or audit discloses any underpayment of any fee, you must promptly pay the deficient amount plus interest and a late fee as described in Section 9.9. If an examination or audit discloses an underpayment or understatement of any amount due us by 3% or more for any 3-month period, or if the examination or audit is made necessary by your failure to furnish required information or documents to us in a timely manner, you must, in addition, reimburse us or our designee for the cost of having your books examined or audited. If an examination or audit discloses an underpayment or understatement of any amount due us by 5% or more for any 3-month period, we will have the right to terminate the Franchise under Section 26.2(n). These rights will be in addition to any other rights or remedies we have under this Agreement or otherwise.

(a) Should we conduct an audit, you will be responsible for all costs and expenses associated with the audit, not to exceed $10,000.

13.8 During and for 5 years after the term of the Franchise, you must maintain and preserve all books, records and accounts of the Franchised Business for at least 5 years after the close of the fiscal year to which the books, records and accounts relate.

14. **EQUIPMENT, SOFTWARE, SUPPLIES, PRODUCTS AND SERVICES**

14.1 You may obtain your equipment, software, supplies, products and services from suppliers we approve, and:

(a) You will subscribe to an online computer network as we require;

(b) You will obtain all other equipment, software, supplies, products and services that meet specifications listed in our manuals. The purpose of these specifications is to protect and maintain the goodwill of the System and the Marks; and

(c) You will participate in any purchasing or distribution cooperatives that we may establish, if we require your participation.

14.2 We reserve the right to inspect and re-inspect the products, supplies and facilities of your suppliers, to determine their conformity with this Section 14. We will maintain and make available to you a list of certain equipment, software, supplies and services that meet our specifications. We may modify this list. If you desire to use equipment or supplies not on the list, you will so notify us in writing before using the equipment or supplies and, if we so request, will provide us samples of the equipment or supplies and any relevant data. At our option, we will test any equipment or supply to determine whether it meets the required specifications and will notify you accordingly within a reasonable time. If we determine that any equipment or supply does not meet the required specifications, you agree that you will not use the equipment or supply in the Franchised Business. The supplier of any equipment or supply proposed for your use under this Section may be required to demonstrate to our reasonable satisfaction that:

(a) the supplier meets our specifications, including our quality, quantity, warranty, variety, service and safety specifications, for the equipment or supply and for the facilities used in the production and distribution of the equipment or supply;

(b) the supplier has the capacity to supply franchisee requirements;

(c) the supplier has a sound financial condition and business reputation; and

(d) the supplier will supply equipment or supplies to a sufficient number of our franchisees to enable us to economically monitor compliance by the supplier with our specifications.

14.3 We or an affiliate of ours may be an exclusive or non-exclusive designated supplier of a product or service, or may offer to sell to you products or services used in operating a POKE BAR business that you may purchase at your option. We or our affiliates will endeavor, to the extent we are able to do so based on total purchases by our franchisees, to negotiate volume purchasing arrangements for products and services, and to offer them to our franchisees at prices not otherwise generally available to the franchisees.

14.4 To the extent we are not the manufacturer of any equipment or supply that we may sell or provide to you, unless specifically stated otherwise in writing, we do not provide any warranty or guarantee to you or any third party, and you may not make any representation to the contrary to any third party. If we are able to secure from any manufacturer any warranty, guarantee or assumption of liability that we are authorized to convey to you, we will so notify you.

14.5 Security deposits or advance payments may be required by us, our designee or our affiliates as to your purchases of fixtures, equipment or supplies by you. You agree to pay all invoices rendered by us, our designee or our affiliates for equipment or supplies within 30 days after the dates of the invoices.

14.6 You agree to obtain licenses to use and to use all software that we require in the operation of the Franchised Business, and to comply with all standards and specifications that we require regarding proprietary software. Proprietary software may be developed and integrated into the System in our sole discretion. We or our designee will provide any initial issuances, upgrades or updates of proprietary software to you for reasonable fees. To the extent required software contains modules for personnel-related functions, such as employee timekeeping, employee scheduling or payroll processing, you will have the option to use those modules, to use alternate software to handle those functions, or to handle those functions in any other manner that you choose.

15. **DESIGN AND APPEARANCE OF BUSINESS**

15.1 Condition and Appearance of Business. The condition and appearance of a POKE BAR business is part of our trade dress. You agree to maintain the condition and appearance of the Franchised Business consistent with our trade dress and the image of the Franchised Business as a clean, attractive, modern, sanitary, convenient and efficiently operated facility selling high quality products and services. If at any time, in our reasonable judgment, the general state of repair, appearance or cleanliness of the premises of the Franchised Business or its equipment, fixtures, furniture, signs or decor does not meet our standards or specifications, we will so notify you, specifying the action to be taken by you to correct the deficiency. If you fail or refuse to initiate, within 30 days after receipt of notice, and then fail to continue, a bona fide program to undertake and complete any required maintenance within the timetable set by us, your failure or refusal will be considered a default for which we may terminate the Franchise. In addition, we or our designee will have the right, but will not be obligated, to enter the premises of the Franchised Business and effect required repairs, painting, decorating and/or replacements of equipment, fixtures, furniture, signs or decor on behalf of you, and you will have the obligation to pay the entire cost to us or our designee on demand. Your obligation to initiate and continue any required maintenance will be suspended during any period in which the maintenance is impractical due to war, civil disturbance, natural disaster, labor dispute or other event beyond your reasonable control.

15.2 You may make no change to your facility design or appearance without our prior written consent, and must maintain and renovate periodically, at your expense, the interior and exterior of the facility in the manner we reasonably require so as to maintain standards of design and appearance consistent with the image of the System. We will have the right to require remodeling changes to the facility at your expense, but you will not be required to expend more than 10% of your prior year's Gross Sales to accomplish any particular required remodeling. Costs associated with the repair, maintenance or upkeep of your facility, including repairs needed because of unusual wear and tear, do not apply toward the cost limitations of remodeling.

15.3 You agree to purchase or lease, and to display at the Franchised Business, only signs, emblems, logos, lettering and pictorial materials that are in accordance with specifications required by us in our manuals or otherwise in writing, subject to changes for which we have given our prior written consent. We have the right to revise the specifications for signs, emblems, logos, lettering and pictorial materials, and you must promptly alter your signs, etc., at your location to conform to the revised specifications. The alterations will be at your expense if revisions are required no more often than once every 3 years. Costs associated with the repair, maintenance or upkeep of your signs, etc. do not apply toward the timing or cost limitations of alterations.

15.4 You must maintain your facility and all adjacent areas in good, clean, attractive and safe condition at all times. You must, at your expense, undertake all maintenance and make all repairs, replacements, alterations and additions as required for that purpose, including periodic cleaning, repainting, repairs and replacement of obsolete fixtures, equipment, and furnishings as we reasonably require.

15.5 You, at your or your employees' and independent contractors' expense, will cause your employees and independent contractors to present themselves to customers, in terms of general appearance, dress and accessories, in accordance with the standards and specifications in our manuals or otherwise communicated to you in writing.

16. **ADVERTISING AND PROMOTION**

16.1 We retain the right, recognizing the value of marketing and the importance of the standardization of promotions and public relations programs to the furtherance of the goodwill and public image of the System and the Marks, at our option, to implement a system-wide advertising and promotional fund ("Fund") during the term of the Franchise, and on a weekly basis, an amount we determine that will not exceed 1% of your Gross Sales.

16.2 If we activate the Fund on 60 days' prior written notice to you, the Fund will be maintained and administered as follows:

(a) You will contribute to the Fund weekly, based on your Gross Sales in the preceding week. This fee is payable weekly by electronic transfer. We or our designee will initiate the draft from your bank account.

(b) Any company-owned POKE BAR business will make contributions to the Fund on a basis at least equal to that described in Section 16.1.

(c) We may establish a cooperative advertising program for the benefit of all POKE BAR businesses located within a particular geographic area. We have the right to (a) allocate any portion of the Fund to a cooperative advertising program; and (b) collect and designate all or a portion of the expenditures for local advertising required in Section 16.3 for a cooperative advertising program. We will determine the geographic area for each cooperative advertising program. You must participate in any cooperative advertising program established in your geographic area if we require your participation. If a cooperative advertising program is implemented in a particular geographic area, we may establish a cooperative marketing committee for franchisees in that area to self-administer the program.

16.3 Local Advertising and Use of Advertising Materials.

(a) You must spend at least 1% of your annual Gross Sales on local advertising. You may not solicit business outside the Territory through the use of a toll-free number, direct mail, a website, electronic communications or other advertising methods without our prior written approval.

(b) You must submit to us, for our approval, all materials to be used for local advertising, unless they have been approved before or they consist only of materials we provided. All materials containing our proprietary marks must include the designation ™ (trademark), SM (service mark), ® (registered trademark), © (copyright), or any other designation we specify. If you do not receive written or oral disapproval of any materials submitted within 10 days after the date we receive the materials, the materials are approved. We may require you to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved. We must make this requirement in writing, and you have 5 days after receipt of our notice to withdraw and/or discontinue use of the materials or advertising. You must include in any significant display advertisements, and in marketing materials for the Franchised Business, in conformance with standards and specifications in our manuals, a notice that the Franchised Business is individually owned and operated. Subject to any legal restrictions, you also must display or make available, in the reception area of the Franchised Business, marketing materials that we provide to you about the purchase of POKE BAR franchises, but you have no responsibility or authority to act for us in franchise sales.

16.4 You acknowledge and agree that we will own all rights to and interest in each telephone number, telephone directory listing, email address, domain name and comparable electronic identity used by you that is associated in any manner with the Franchised Business and/or with any Mark ("Listing"). You acknowledge and agree that all goodwill arising from or in connection with the use of each Listing will inure to our benefit. Promptly after the expiration, termination, repurchase or transfer of the Franchise, and at your own expense, you will notify all telephone companies and Internet service providers or comparable Internet authority with whom you have any Listing and direct them to transfer the Listing to us, or any person(s) we designate; and you will execute any and all documents necessary to complete these transfer(s). On the execution of this Agreement, you will sign a telephone and Internet service transfer consent and authorization, in a form substantially similar to Attachment 2, granting us the authority to change, transfer or terminate your Listing(s), on your behalf. We will use this authorization for your Listing(s) only if you do not comply fully with this Section 16.4 after the expiration, termination, repurchase or transfer of the Franchise.

17. **INSURANCE**

17.1 You must secure before opening the Franchised Business, and then must continuously maintain during the term of the Franchise, insurance at your expense, as follows:

(a) Workers' compensation insurance as required by the law of the state or jurisdiction in which you are engaged in business. This insurance must be maintained for trainees, as well as for those employed or engaged in the operation of the Franchised Business. This must be at least $100,000 or higher depending on the laws of the state of your jurisdiction.

(b) Comprehensive general liability insurance with limits of at least $1,000,000 per person per occurrence (and $2,000,000 aggregate for bodily injury) and at least $25,000 for property damage per occurrence.

(c) "All risk" insurance on the premises, equipment (except portable equipment) and supplies, for loss or damage by fire, windstorm, flood, casualty, theft and other risks usually insured against by the owners or landlords of similar property. The insurance must be for at least 90% of the replacement cost of the property. Unless you obtain a written waiver from us, any POKE BAR business sustaining loss or damage must be repaired, restored or rebuilt within 60 days after the date of the loss or damage.

(d) Dram Shop/Host Liquor Liability Insurance with limits of at least $1,000,000 per occurrence, if beer, wine or other liquor is served in operation of the Franchised Business.

(e) Business interruption insurance for a period of at least 12 months.

(f) Such insurance and types of coverage as may be required by your landlord or by the terms of any lease for the premises of the Franchised Business or by the municipality, county, state or other local jurisdiction in which the Franchised Business is located.

(g) Comprehensive commercial automobile liability insurance for any vehicle operated by, or on behalf of, the Franchised Business, including owned, hired and non-owned vehicle coverage of at least $500,000.

(h) Crime insurance for employee dishonesty in the amount of $10,000 combined single limit.

(i) Cyber liability insurance with a limit of at least $100,000 per occurrence.

(j) Employment practices liability insurance (EPLI) with a limit of at least $100,000 per occurrence.

17.2 If circumstances require for the protection of you and us, we, in our sole discretion, may increase or modify the insurance limits noted above and may require additional types of insurance. If we determine that any required insurance is not generally available to you at a cost that we, in our sole and absolute judgment, deem to be reasonable, then we may modify the insurance requirements to provide for lower limits until the insurance becomes available at a reasonable cost.

17.3 Each insurance policy you maintain for the Franchised Business, except the workers' compensation and employment practices liability policies, must: name us, and our affiliates, successors, assigns, shareholders, partners, officers, directors, employees and agents as additional insureds; require the insurer to defend each person or entity if there is a claim; provide that any liability coverage afforded applies separately to each person or entity against whom a claim is brought as though a separate policy had been issued to that person or entity; contain no provision that limits or reduces coverage if there is a claim by 1 or more additional insured, or by reason of any insurance that we maintain; and provide coverage for your indemnification obligation under Section 24.2 of this Agreement. Coverage for additional insureds will apply on a primary basis irrespective of any other insurance, whether collectable or not. All insurance policies must be issued by insurance companies with performance ratings of at least A+ as rated in the then-most-recent edition of Best's Insurance Reports or comparable publication.

17.4 At least 10 days before you open the Franchised Business or begin any construction, you must furnish us with certificates of insurance issued by insurance companies showing compliance with the insurance requirements in Section 17.1 and paid receipts showing the certificate numbers. Each certificate of insurance must include a statement by the insurance company that the policy will not be canceled, subject to non-renewal or materially altered without at least 30 days' written notice to us. Annually, when you provide us with your annual financial statements, you must furnish us with then-current certificates of insurance and paid receipts showing the certificate numbers. On our request, you must provide us or our designee with copies of your insurance policies and proof of payment for the policies.

17.5 You may not reduce any insurance limit, restrict any insurance coverage, or cancel, alter or amend any insurance policy without our prior written consent. If you fail to obtain or maintain any required insurance, you agree that we or our designee may, but are not obligated, to obtain the insurance and that you will reimburse us or our designee for the cost of the insurance, and for any reasonable expenses incurred in procuring the insurance, within 30 days of the date of our invoice. You expressly waive any objection to our purchase of insurance under this Section.

18. **LEGAL COMPLIANCE, TAXES, LICENSES, UTILITIES AND OTHER OBLIGATIONS**

18.1 You must comply with all laws and regulations applicable to the operation of the Franchised Business, including laws and regulations governing matters such as occupational hazards, the preparation and dispensing of food products, menu labeling. zoning, construction, business licensing, fictional business names, health, sanitation, safety, minimum wages, overtime, working conditions, workers' compensation insurance, unemployment insurance, consumer protection, trade regulation, data protection and data breaches, environmental protection, and the withholding and payment of income, social security, sales, use, property and other taxes. You must promptly notify us of any suspected data breach at or in connection with the Franchised Business. Each payment to us or our designee required under this Agreement will be made free and clear and without deduction for any such taxes.

18.2 You must promptly satisfy any other indebtedness that you incur in operating the Franchised Business.

18.3 You must promptly notify us of the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality that may adversely affect the operation of the Franchised Business.

18.4 If there is any bona fide dispute as to any liability for taxes assessed or other indebtedness, you may contest the validity of the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, you may not permit a tax sale or seizure by levy of signing or similar writ or warrant, or attachment by a creditor to occur against the premises of the Franchised Business or any of its improvements.

19. **PROPRIETARY MARKS**

19.1 The Marks are our exclusive property. You agree that your use of the Marks is a temporary authorized use under franchise and that we retain all ownership interests in the Marks. You acknowledge and agree that all goodwill arising from or in connection with the use of the Marks will inure to our benefit. You agree to use the Marks only in accordance with the terms of this Agreement and agree that the use of the Marks outside the scope of the terms of this Agreement without our prior written consent, is an infringement of our exclusive right, title and interest in and to the Marks. You agree that during the term of the Franchise, and after the expiration, termination, repurchase or transfer of the Franchise, you will not, directly or indirectly, commit an act of infringement or contest or aid others in contesting the validity, distinctiveness, secondary meaning, ownership or enforceability of the Marks, or take any other action in derogation of the Marks, and that no monetary amount will be assigned as attributable to any goodwill associated with your use of the System or the Marks.

19.2 You must provide products and services to the public under the service mark, trademark and trade name "POKE BAR," but may not use any Mark, any derivation or modified version of any Mark, or any confusingly similar mark: as part of any corporate, partnership, firm or other business name, website address, email address, domain name or other identification in any print, electronic or other medium; or with any prefix, suffix or other modifying word, term, symbol or design. You may not use any Mark in connection with the offer or sale of unauthorized products or services or in any manner that we have not authorized in writing. You agree to execute, during or after the term of the Franchise, at our request, any consents necessary for the registration of our corporate name in the state where you conduct the Franchised Business.

19.3 You agree that when any Mark is affixed to any packaging or point of sale display, or is used in advertising or promotional materials, the Mark will be accompanied either by an appropriate notice immediately following the Mark (™ if on a product package and SM if advertising a service) or by an asterisk immediately following the Mark and the legend "POKE BAR is a service mark or trademark of JB Brothers, Inc. (or other appropriate corporate name)" printed on or in the package, display, advertisement or material. A suitably abbreviated form of the legend, approved by us, may be used where space restrictions so require. If we receive a Certificate of Registration from the United States Patent and Trademark Office for any Mark, the symbol ® will be substituted for the notices described above, and the word "Registered" will precede the word "service" in the legend described above, as required by written notice from us to you.

19.4 If it becomes advisable at any time, in our sole and absolute judgment, for the Franchised Business to modify or discontinue use of any Mark and/or to use 1 or more additional or substitute service marks, trademarks, trade names or trade dresses, you agree to comply with our directions to modify or otherwise discontinue the use of the Mark, and/or to use 1 or more additional or substitute service marks, trademarks, trade names or trade dresses, within a reasonable time after receiving notice from us. You will be responsible for the costs of modifying or discontinuing the use of any trademark, service mark or trade name, or using 1 or more substitute trademarks, service marks or trade names. We will not be responsible for reimbursing you for any loss of goodwill in connection with the modification or discontinuation of any trademark, service mark or trade name.

19.5 During the term of the Franchise, in conjunction with the use of any Mark, you must identify yourself as the operator of the Franchised Business on letterhead sheets, invoices, order forms, receipts, contracts and similar documents, and, where we require, on signs. The form and content of the identification must comply with specifications in our manuals.

19.6 During the term of the Franchise, you must file and maintain requisite trade name or fictitious name registrations, and must execute any documents deemed necessary by us or our counsel to obtain protection for the Marks or maintain their continued validity and enforceability.

19.7 You must promptly notify us of any use of any Mark or any name or mark confusingly similar to any Mark by any person or entity other than us or another of our franchisees.

19.8 You agree to promptly notify us of any litigation brought or threatened by any person or entity against you, involving any Mark. If we, in our sole and absolute judgment, undertake the defense or settlement of that litigation or claim, we will do so at our own expense, but you agree to execute any documents, and to render any assistance (excluding financial assistance) as may, in the sole discretion of our counsel, be reasonably necessary to carry out the defense or settlement. If the defense does not involve issues concerning the operation of your business, we will reimburse you for all reasonable out-of-pocket costs incurred in connection with assisting in the defense or settlement.

19.9 You agree that the use of any Mark contrary to any term of this Agreement is an act of infringement, and that the use will cause irreparable injury to us and entitle us to an order of specific performance and/or a temporary, preliminary or permanent injunction, without bond, from a court or agency of competent jurisdiction, court costs, reasonable expenses of litigation, reasonable attorney's fees, and any other appropriate relief.

20. **TRADE SECRETS AND CONFIDENTIAL INFORMATION**

20.1 You acknowledge that the System involves trade secrets we own and that, during your relationship with us, you will acquire knowledge of confidential information, including:

(a) site selection criteria;

(b) training, operational knowledge, manuals and materials, including the Confidential Operations Manual and product recipes;

(c) System standards and specifications, including know-how, methods, formats, policies, procedures, techniques, knowledge and experience, used in developing, promoting and operating the Franchised Business;

(d) market research, and promotional, marketing and advertising programs;

(e) knowledge of suppliers and specifications for products and supplies used in the operation of the Franchised Business;

(f) software or similar technology which is proprietary to us, our affiliates or the System; and

(g) customer data and customer lists.

20.2 You agree that, without our prior written consent, you will never either during or after the term of the Franchise, use or allow the use of any trade secret or confidential information except in connection with the operation of the Franchised Business by persons actively involved in the operation of the Franchised Business. You further agree that you will not disclose the contents of any manuals, plans, records or other documents relating to the Franchised Business to any third party, except a party who is actively involved in the operation of the Franchised Business and who has a valid need for disclosure. Any employee or independent contractor to whom a trade secret or confidential information is disclosed will be informed that the trade secret or confidential information is confidential and proprietary to us, and that it may not be used except under a franchise agreement with us. You must have each Manager and each person attending initial training enter into a Confidentiality and Non-Competition Agreement which is substantially similar to Attachment 7.

20.3 You agree to promptly reveal to us discoveries, inventions, innovations or improvements made by you, or by any of your Managers, employees or independent contractors, relating to materials, devices, methods or processes in any way connected with the System, and further agree that all proprietary interests in the information, materials, devices, methods, techniques, know-how and processes utilizing those discoveries, inventions, innovations and improvements will be our property.

20.4 You agree that use of any trade secret or confidential information contrary to any term of this Agreement is an act of infringement, and that the use will cause irreparable injury to us and entitle us to an order of specific performance and/or a temporary, preliminary or permanent injunction, without bond, from a court or agency of competent jurisdiction, court costs, reasonable expenses of litigation, reasonable attorney's fees, and any other appropriate relief. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, on due hearing, and expressly waive all claims for damages caused by the wrongful issuance of any injunction.

21. **NON-COMPETITION**

21.1 Unless otherwise stated in this Agreement, the word "you" in this Section 21 includes, collectively and individually, each shareholder, member, partner, officer and director, and each direct or indirect holder (and each shareholder, member, partner, officer or director of each holder) of any beneficial interest in you, if you are a legal entity.

21.2 You agree that during the term of the Franchise, you will not, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person or entity, divert or attempt to divert any business or customer of the Franchised Business to any other business by direct or indirect inducement or otherwise, but this Section 21 will not prevent you from referring customers in good faith to other businesses, including competing businesses, that may be able to provide those customers with products or services not available from the Franchised Business.

21.3 You agree that during the term of the Franchise, and for an uninterrupted period of 2 years after expiration, termination, repurchase or transfer of the Franchise, regardless of the cause of expiration, termination, repurchase or transfer, you will not, without our prior written consent, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person or entity, employ, engage as an independent contractor, or seek to employ or engage as an independent contractor, any person who, within the prior 6 months, has been an employee or independent contractor of us or any of our franchisees, or induce or seek to induce any person who is an employee or independent contractor of us or any of our franchisees, to leave his or her employment or engagement. If you fail to comply with this paragraph 21.3, you agree to pay us or our designee an amount equal to 100% of the annual salary of such person.

21.4 You acknowledge: that certain methods of doing business and other elements comprising the System are unique and distinctive, and have been developed by us at great effort, skill, time and expense; that you will have regular and continuing access to valuable trade secrets, confidential information and valuable training regarding the System; and that you recognize your continuing obligation to promote the Franchised Business. You accordingly agree as follows:

(a) During the term of the Franchise, you will not, without our prior written consent, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any other person or entity, own, operate, engage in, have any interest in, be employed by or perform any service which operates one or more Competitive Businesses, or which franchises or licenses others to operate Competitive Businesses. A "Competitive Business" is any business which offers, or which franchises or licenses others to offer, products or services that are the same as or substantially similar to products or services that are offered by you under this Agreement.

(b) You agree that, for an uninterrupted period of 2 years after the expiration or termination of the Franchise, regardless of the cause of expiration or termination, you will not, without our prior written consent, directly or indirectly, for yourself, or through, on behalf of or in conjunction with any other person or entity, own, operate, engage in, have any interest in, be employed by or perform any service for any business which operates one or more Competitive Businesses, or which franchises or licenses others to operate Competitive Businesses, and which operates: (1) within the Reserved Area, (2) within the territory of any other POKE BAR business operating or in planning at the time of expiration or termination, (3) within a 20-mile radius of any POKE BAR business operating or in planning at time of expiration or termination, (4) within the area of any POKE BAR area developer operating at the time of expiration or termination, or (5) within the region of any POKE BAR regional developer operating or planning to operate at the time of expiration or termination. If you violate any covenant in this Section 21.4(b) during the 2-year period immediately after the effective date of the expiration or termination of the Franchise, you agree to comply with such covenant during a subsequent 2-year period, and you further agree that an arbitrator or judge may order compliance with such covenant during any subsequent 2-year period.

21.5 You agree that your violation of any term of this Section 21 will cause irreparable injury to us for which no adequate remedy at law is available. You accordingly consent to the issuance of an order of specific performance and/or a temporary, preliminary or permanent injunction, without bond, prohibiting any conduct by you in violation of any term of this Section 21.

21.6 Each provision and subpart of a provision of this Section 21 is independent of each other provision and subpart of a provision of this Agreement. If a provision or subpart of a provision of this Section 21 is held unreasonable or unenforceable by any court, agency or other tribunal of competent jurisdiction, you agree to be bound by any lesser provision or subpart that imposes the maximum duty permitted by law, as if the resulting lesser provision or subpart were separately stated in this Section 21, and also agree to be bound by each other subpart of a provision of this Agreement.

21.7 You agree that we may, in our sole discretion, reduce the scope of any provision or subpart of any provision in this Section 21 without your consent, effective immediately on written notice from us, and you agree that you will promptly comply with any provision or subpart so modified, which will be fully enforceable notwithstanding any other provision or subpart of this Agreement.

21.8 You agree that any claim you may have against us, whether or not related to the Franchised Business, will not be a defense to the enforcement by us of any provision of this Section 21. You further agree that we will be entitled to set off any amounts we owe to you against any loss or damage to us arising from your breach of this Agreement, including this Section 21.

22. **INSPECTION BY US**

22.1 Our field representative or designee may make an announced or unannounced inspection of the Franchised Business at any reasonable time to ensure compliance with all terms of this Agreement, which inspection may include photographs of the premises and interviews of your Manager, employees and independent contractors to ascertain their knowledge of and compliance with the System, as well as interviews with your customers to determine their level of satisfaction. Your acknowledge that any feedback, coaching or recommendations given by our field representative or designee to any personnel of the Franchised Business during any such inspection will be informational and non-mandatory, but that you may be required to communicate with, give instructions to, train or retrain those personnel during or after the inspection in order to bring the operation of the Franchised Business into compliance with the System. You agree that the field representative or designee will be allowed to take a reasonable number of samples of food or non-food items from the Franchised Business, without payment, for testing by us or an independent laboratory to determine whether such samples meet our then-current standards and specifications. You agree that we may require you to bear the cost of such testing if the samples taken from the Franchised Business fail to meet our then-current standards and specifications. You further agree that the field representative or designee will be allowed to take a physical inventory of the assets of the Franchised Business, and to inspect any records of the Franchised Business, including your books and financial accounts, at any time during normal business hours. Any inspection will be made at the expense of us or our designee, but if we or our designee must make 2 inspections concerning your repeated or continuing failure to comply with this Agreement, we will have the right to charge you for the costs of making all further inspections concerning your failure to comply, including our field representative's or designee's reasonable travel, lodging and meal expenses, and his or her wages and benefits, during any further inspection. At the conclusion of his or her inspection, the field representative or designee will prepare a written report. Your principal operating officer, partner or member, if present, or your Manager, will be given a copy of the report and will sign a second copy to be sent to us, on which he or she may agree with or contest the field representative's or designee's conclusions and observations.

22.2 During any inspection, you agree to cooperate fully and to give any assistance reasonably requested. Promptly after receiving notice of any deficiencies detected in an inspection, you agree to take steps necessary to correct the deficiencies, including if necessary the temporary closing of the Franchised Business. Without limiting our other rights and remedies, we will have the right but not the obligation, if you fail or refuse to act promptly, to make or cause to be made any required corrections and to charge the costs of correction to you.

23. **<u>FRANCHISEE AS INDEPENDENT CONTRACTOR</u>**

23.1 <u>Relationship of Parties</u>. Under this Agreement, you are an independent contractor with entire control and direction of the Franchised Business, subject only to the terms of this Agreement and its attachments. This Agreement is not intended to, and does not create a fiduciary or other special relationship between the parties, or make any party a principal, agent, legal representative, parent, affiliate, subsidiary, joint venturer, partner, employer, joint employer, employee or servant of any other party for any purpose. In that regard:

(a) We have no right or duty to operate the Franchised Business, and disclaim any liability under this Agreement for any damages arising out of the operation of the Franchised Business.

(b) You are solely responsible for recruiting, interviewing, hiring, timekeeping, scheduling, payroll processing, supervising, disciplining and firing your personnel, and your personnel are not our employees, independent contractors or agents. We have no right or duty to supervise, or to exercise control over, your personnel in the operation of the Franchised Business, and disclaim any rights or responsibilities as to your personnel. You are solely responsible for consulting with your own third party HR service provider and/or legal counsel concerning compliance with personnel laws and regulations that are applicable within the Territory, and for complying with those laws and regulations.

(c) Except as provided in this Agreement, you are solely responsible for training your personnel. To the extent that we provide you with guidelines, recommendations, materials and other resources related to training your management and non-management personnel on other matters, you may use those resources, or may choose to use alternate resources, so long as your personnel are trained to operate the Franchised Business in a System-compliant, legal and safe manner.

(d) You are solely responsible for establishing and enforcing your own policies related to personnel practices and labor relations. To the extent that we provide you with guidelines, recommendations and materials related to personnel practices and labor relations, you may use those resources, or may choose to use alternate resources. You are solely responsible for consulting with your own third party HR service provider and/or legal counsel concerning compliance with personnel and labor relations laws and regulations that are applicable within the Territory, and for complying with those laws and regulations.

23.2 Notices to Public, Etc.. During the term of the Franchise, you agree to hold yourself out, to the public, public officials, your suppliers, your independent contractors and others, as an independent contractor operating the Franchised Business pursuant to rights granted by us, but not jointly with us. You agree to take any reasonable action that we consider necessary to that end, including exhibiting notices of the parties' relationship in a conspicuous manner at the Franchised Business, and on websites, letterhead, forms, business cards, electronic communications, advertisements, and other materials we designate. We reserve the right to specify and change the content and form of these notices.

23.3 Statements to and Acknowledgements by Employees. During the term of the Franchise, you shall hold yourself out to your prospective employees, and to your employees, as an independent contractor operating the Franchised Business pursuant to rights granted by us, but not jointly with us. You shall take any reasonable action that we consider necessary to that end, including (i) stating conspicuously on each employment application that the prospective employee is applying to be your employee and not an employee of ours, (ii) stating your entire business name, rather than just using our brand name and/or logo, on your payroll checks and/or payroll-related communications to employees, and (iii) requiring employees to sign acknowledgements that they are not employees of ours, even though they are selling products and services identified by our brand name and/or logo, are receiving payroll checks and other communications that contain our brand name and/or logo, may have applied for jobs through our website(s), or may communicate with or receive non-mandatory feedback, coaching or recommendations from our representatives in emails or other electronic or written communications, or during telephone calls, meetings or inspections. We reserve the right to specify and change the content and form of these statements and acknowledgements.

23.4 Contracts, Etc.. Nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf; to incur any obligation, debt or expense in our name; or to make any representation to any third party tending to indicate a business relationship with us beyond that created under this Agreement. We disclaim any liability for, and will not be liable under this Agreement for any claim or judgment arising as a result of, any such action. Under this Agreement, no party is responsible for any obligations, debts or expenses of any other party.

24. INDEMNIFICATION

24.1 You must indemnify us, our affiliates, successors and assigns, and our partners, shareholders, officers, directors, employees and agents, for any expenses arising out of any claim directly or indirectly related to your operation of the Franchised Business or performance or lack of performance under this Agreement, if the claim does not arise from our negligent or wrongful conduct. You specifically acknowledge (i) that we do not have any reserved or general right to exercise control over, and do not exercise any indirect or direct control over, the day-to-day operation of the Franchised Business (including operations-related functions such as safety and security, the use of equipment and motor vehicles, and the delivery of products and services to customers, and personnel-related functions such as recruiting, interviewing, hiring, timekeeping, scheduling, payroll processing, supervising, disciplining and firing), (ii) that all liability arising out of the operation of the Franchised Business is therefore your responsibility, and (iii) that your indemnification obligation under this Section 24.2 covers any "joint employer," "agency," "ostensible agency" or similar claims by third parties based on the establishment or operation of the Franchised Business. You must promptly notify us of any claim by or against you directly or indirectly related to your operation of the Franchised Business and, on request, must furnish us with copies of any filings in any proceeding involving the claim.

24.2 As used in this Section 24, the word "expenses" includes all losses, compensatory, exemplary or punitive damages, fines, charges, costs, lost profits, attorneys' fees, accountants' fees, expert witness fees, expenses, court costs, settlement amounts, judgments, compensation for damages to reputation or goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and costs of recall, refunds, compensation and public notices.

24.3 The indemnification obligations will survive the expiration or termination of the Franchise for as long as any potential for liability under any applicable law, rule, ordinance, statute or judicial decision remains. In this regard, to the maximum extent permitted by law, we and you each waive the effect of any statute of limitation which would, by lapse of time, limit our indemnification obligations.

25. TRANSFERS OF INTEREST

25.1 Transfer by Us. We may sell, assign, transfer, convey, give away, pledge, hypothecate, mortgage or otherwise encumber ("transfer") all or any part of our rights, interests or obligations in this Agreement to any person or entity in our sole discretion. Specifically, and without limitation, we (or any affiliate, as applicable) may sell our assets, the Marks or any other elements of the System to any person or entity; may offer securities privately or publicly; may merge with, spin off or acquire other entities, or be acquired by another person or entity, including a competing or non-competitive franchise system or business, regardless of the locations of the franchise system or business; or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any or all of the above sales, assignments or dispositions, you expressly and specifically waive any claims, demands or damages against us and our affiliates arising from or related to the transfer of the Marks (or any variation thereof) or the System to any other person or entity. If we transfer or assign this Agreement, we will be released from all further liability under this Agreement. Nothing contained in this Agreement will require us to offer to you any products or services, whether or not bearing the Marks, if we transfer or assign this Agreement.

25.2 Transfer by Franchisee.

(a) Your rights and obligations under this Agreement are personal to you, and we have granted the Franchise in reliance on your and/or your principals' business skill, financial capacity, personal character, and reputation for honesty, integrity and fair dealing. Accordingly, you and your successors, assigns, shareholders, partners and members, may not transfer any interest in you, in this Agreement or any related agreement, in the Franchise or the Franchised Business, without our prior written consent. Any purported transfer not having our prior written consent will be void.

(b) We will not unreasonably withhold our consent to a transfer of any interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business, but if a transfer, alone or together with other previous, simultaneous or proposed transfers, would have the effect of transferring either a controlling interest in or operating control of you, this Agreement, any related agreement, the Franchise or the Franchised Business, we may, in our sole discretion, require as conditions to our consent that:

(i) You must be in substantial compliance with the terms of this Agreement;

(ii) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) has demonstrated to our satisfaction that it meets the then-current standards which we would normally apply to any prospective franchisee. The transferee, for example, has demonstrated that it meets our educational, personal, managerial and business standards; possesses a good moral character and a good business reputation; has the aptitude and ability to conduct the Franchised Business (as may be shown by prior related experience); has adequate financial resources and capital to operate the Franchised Business; is financially responsible and has a good credit rating; has the ability to obtain any required liquor license in its name; will be likely in our sole and absolute judgment to comply with the terms of this Agreement, our then-current standard franchise agreement and our then-current manuals; and has no direct or indirect connection with any actual or potential competitor of us or any of our franchisees;

(iii) Your debts to us and others relating to the Franchised Business have been satisfied;

(iv) You and the transferor have signed a general release, in a form satisfactory to us, of any claims against us and our partners, shareholders, officers, directors, employees and agents, in their corporate and individual capacities;

(v) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) has entered into a written transfer agreement, in a form satisfactory to us, assuming and agreeing to discharge your and/or the transferor's obligations under this Agreement and any attachments;

(vi) The transferee (including any person with a beneficial interest in the transferee if it is a legal entity) executes our then-current standard franchise agreement (excluding any requirement to pay an initial franchise fee) and attachments (including any guaranty agreements). The then-current franchise agreement will have the same expiration date as the expiration date of this Agreement, and will contain the same fees and Territory, but may contain other terms that are substantially different from those in this Agreement.

(vii) The transferee and its Manager, if any, have agreed to successfully complete (at the transferee's expense and to our satisfaction) any then-current initial training programs;

(viii) You or the transferor has paid, in lieu of paying the initial franchise fee specified in Section 9.1, a transfer fee of seven thousand five hundred dollars ($7,500.00).

(ix) We have decided not to exercise our right of first refusal, if any, under Section 25.5;

(x) You have updated your equipment and premises to our then-current specifications in our manuals;

(xi) We have consented to the material terms of the transfer, including the price and terms of payment, which will not be so burdensome as to adversely affect the operation of the Franchised Business by the transferee; and

(xii) If any part of the sale price of any transferred interest is to be financed, the transferor will have agreed that all obligations of the transferee under any promissory notes, agreements or security interests reserved by the transferor in the assets of the Franchised Business will be subordinate to the obligations of the transferee to pay continuing franchise fees, Fund contributions and other amounts due to us, our designee and our affiliates, or otherwise to comply with this Agreement or the franchise agreement signed by the transferee.

(c) Except as stated below, the transfer fee stated in Section 25.2(b)(viii) is non-refundable and fully earned by us or our designee when paid. If the transferee is unable to successfully complete initial training, we, in our sole discretion, may cancel this Agreement or the transferee's then-current franchise agreement. If we so cancel this Agreement or the transferee's then-current franchise agreement, we or our designee will refund the transfer fee, less out-of pocket expenses incurred, if the transferee agrees to terms substantially similar to those in Sections 19.1, 19.9, 20, 21.3, 21.4(b), 21.5-21.8, 27.1-27.2, and 32.

(d) No transfer in the nature of a grant of a security interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business will be permitted without our prior written consent. If we consent to a transfer in the nature of a grant of a security interest, and if the holder of the security interest later seeks to exercise your right or assume the interest of you in the Franchise, this Agreement, any related agreement, you or the Franchised Business due to a default under any documents related to the security interest, we will have the option to purchase the rights of the secured party by paying all sums then due to the secured party, and the secured party will sign an agreement to that effect before any transfer takes place.

25.3 Transfer to Franchisee's Legal Entity. If you are an individual, and if a proposed transfer is to a legal entity you control which is formed solely for the convenience of ownership, our consent to the transfer may, in our sole discretion, be conditioned on the following requirements:

(a) The legal entity's activities will be confined exclusively to operating the Franchised Business;

(b) You will own a majority stock interest, partnership or membership interest in the legal entity, and will act as its principal operating officer, partner or member;

(c) Each stock certificate or certificate of interest in the legal entity will have conspicuously endorsed on its face a statement in a form satisfactory to us that it is held subject to, and that further transfer is subject to, all restrictions on transfers in this Agreement;

(d) All shareholders, partners, or members will jointly and severally guarantee the legal entity's performance and will bind themselves to the terms of this Agreement and any attachments;

(e) You will maintain a then-current list of all partners, members or shareholders and beneficial owners of any class of stock, and furnish the list to us on request; and

(f) Copies of the transferee's Certificate and Articles of Incorporation, Certificate and Articles of Organization, Certificate and Agreement of Partnership, By-Laws, resolution authorizing entry into this Agreement and any other significant governing documents, promptly will be furnished to us.

25.4 Transfer and Issuance of Securities. If you are a legal entity, you will maintain stop transfer instructions against the transfer of any stock certificate, certificate of interest, or evidence of ownership contrary to the terms of this Section 25, and will issue no certificate on the face of which the following statement does not legibly and conspicuously appear:

> The transfer of this [insert type of ownership interest] is subject to the terms of a Franchise Agreement dated [insert date] between JB Brothers, Inc. and ____________________ [Name].

25.5 Our Right of First Refusal.

(a) If you or any other person or entity at any time determines to sell an interest in you, the Franchise or the Franchised Business, a true and complete copy of the offer (and any proposed ancillary agreements) will promptly be submitted to us by you or the other person or entity involved. The offer must apply only to an interest in you, the Franchise or the Franchised Business. It must not include the purchase of any of your other property or rights (or those of your shareholder, partner, or member), but if the offeror proposes to buy any other of your property or rights (or those of shareholder, partner or member) under a separate, contemporaneous offer, the price and terms of purchase offered to you (or to your shareholder, partner or member) for the interest in you, the Franchise or the Franchised Business will reflect the bona fide price offered and will not reflect any value for any other property or rights. We will have the right, exercisable by written notice delivered to you, or the person or entity involved, within 30 days after receipt of the copy of the offer, to purchase the interest for the price and on the terms in the offer, but we may substitute cash, a cash equivalent or marketable securities of equal value for any form of payment proposed in the offer. Our credit will be deemed equal to the credit of any proposed purchaser, and we will have not less than 60 days to prepare for closing. If the parties cannot agree on a cash equivalent within a reasonable time, they will either jointly select 1 appraiser, or 3 appraisers will be selected (1 by us, 1 by you, and 1 jointly by the first 2 appraisers), and his, her or their determination will be binding. The parties will share equally the fees and expenses of any appraiser jointly selected, but each must pay any separately selected appraiser individually. We will be entitled to purchase the interest subject to all customary representations and warranties given by the seller of the assets of a business or voting stock of an incorporated business, as applicable, including representations and warranties as to ownership, condition and title to stock and/or assets, liens and encumbrances relating to the stock and/or assets, validity of contracts, and liabilities, contingent or otherwise, of any corporation whose stock is purchased. If we do not exercise our right of first refusal, you or the person or entity involved may complete the sale to the purchaser under the terms of the offer subject to our consent to the transfer under Section 25.2(b), but if the sale to the purchaser is not completed within 120 days after receipt of the offer by us, or if there is a material change in the terms of the sale, we will have an additional right of first refusal for 30 days on the same terms as were applicable to the initial right of first refusal.

(b) If a proposed transferee is the spouse, child or parent of the proposed transferor, or is a person or entity already holding an equity interest in you or the Franchised Business, as of the date of this Agreement, that has been disclosed to us, we will not have any right of first refusal as provided in Section 25.5(a), unless the proposed transferee has a direct or indirect connection with any actual or potential competitor of us or any of our franchisees. However, written notification of this type of transfer must be provided to us by the transferor at least 30 days before consummation of that transfer.

25.6 Transfer On Death, Permanent Incapacity or Dissolution. On the death or permanent incapacity of any person with an interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business, or on your dissolution if you are a legal entity, the executor, administrator, personal representative or trustee ("personal representative") of that person or entity will transfer his, her or its interest to a third party acceptable to us within 180 days after assuming that capacity. Any transfer of this type, including a transfer by devise or inheritance, will be subject to the same requirements as other transfers under this Agreement, but if the transfer is to a spouse, child or parent, the fee required under Section 25.2(b)(viii) will not be required. If the personal representative is unable to meet these conditions, the personal representative of that deceased person will have an additional 60 days to dispose of the interest, which disposition will be subject to the requirements for transfers in this Agreement, including the requirements of this Section 25. If the interest is not disposed of within 60 days, we may terminate this Agreement, or may exercise an option to purchase or have transferred from you the assets of the Franchised Business in accordance with the procedures specified in Section 27.3, by giving you written notice of the exercise of the option at any time during those additional 60 days.

25.7 Interim Operation of Business on Death or Permanent Disability. Pending transfer on your death or permanent incapacity (or the death or permanent incapacity of your principal operating officer, partner or member, if you are a legal entity), we will have the option to appoint a general manager to operate the Franchised Business for your account until an approved transferee is able to assume the operation of the Franchised Business, for up to 12 months without your consent, your personal representative, or your successor in interest. All funds from the operation of the Franchised Business during the period of operation by our appointed general manager will be kept in a separate fund, and all expenses incurred, including our appointed general manager's wages and benefits, and his or her reasonable traveling, lodging and meal expenses (the "Management Expenses"), will be charged to the fund. As compensation for services provided, we will charge the fund the full amount of the Management Expenses incurred during the period of our operation. We will only have a duty to use reasonable efforts in operating the Franchised Business, and will not be liable to you or your principals for any debts, losses or obligations incurred by the Franchised Business, or to any creditor for any equipment, inventory, products, services or supplies purchased for the Franchised Business during any period in which it is operated by our appointed general manager.

25.8 Non-Waiver of Claims. Our consent to a transfer of any interest in you, this Agreement, any related agreement, the Franchise or the Franchised Business will not be a waiver of any claims we may have against the transferring party, nor will it be a waiver of our right to demand the transferee's compliance with the terms of this Agreement.

26. DEFAULT AND TERMINATION

26.1 Automatic Termination. Except as may be prohibited by federal bankruptcy law or applicable state law, you will be deemed to be in default under this Agreement, and the Franchise will automatically terminate without notice to you, if you make a general assignment for the benefit of creditors, suffer the filing of an involuntary bankruptcy petition which is not dismissed within 60 days after filing, file a voluntary bankruptcy petition, are adjudicated a bankrupt, or suffer temporary or permanent court-appointed receivership of substantially all of your property; if suit to foreclose any lien or mortgage against the premises or equipment of your business is instituted and not dismissed within 60 days; or if the premises or equipment of your business is sold after levy thereon by any sheriff, marshal or constable.

26.2 Termination On Notice. Except as may be prohibited by federal bankruptcy law or applicable state law, you will be in default and we may, in our sole discretion, terminate the Franchise, without giving you any opportunity to cure the default, effective immediately on giving written notice of termination to you, if:

(a) You, without our prior written consent, cease to operate the Franchised Business;

(b) You (or your principal officer, shareholder, partner or member, if you are a legal entity) are convicted of a felony, a crime involving consumer fraud, or any other crime that is reasonably likely, in our sole and absolute judgment, to have an adverse effect on the System, the Marks, the goodwill associated with the System or the Marks, or our interest in the System or the Marks;

(c) The operation of the Franchised Business is creating an immediate threat or danger to public health or safety;

(d) You have failed to make timely payments of any fees or other amounts owed to us, or have committed defaults of this Agreement, within 12 months of any prior default for which we have given you written notice;

(e) You knowingly make a material false or incomplete statement in any report submitted to us;

(f) We discover that you knowingly made a material false statement to us to obtain the Franchise;

(g) You or any other person or entity purportedly transfer any interest contrary to Section 25;

(h) You participate in in-term competition contrary to Section 21;

(i) You knowingly disclose the contents of our manuals or any other information learned or received under this Agreement and designated as "Confidential," contrary to Section 12 or 20;

(j) An approved transfer is not effected following death, permanent incapacity or dissolution as required by Section 25.6;

(k) You suffer any federal, state or local tax lien, levy or suit to enforce the same brought against you or your property;

(l) You fail to identify, lease or purchase a site within the period stated in Section 5.1 of this Agreement, or you fail to submit a proposed lease for approval before execution as stated in Section 5.2 of this Agreement, or you fail to open for business within the period stated in Section 5.5 of this Agreement;

(m) You knowingly underpay or under-report any amount due us by 5% or more for any 3-month period; or

(n) You (or any officer, shareholder, partner or member, if you are a legal entity) violate any U.S. anti-terrorism law, ordinance, regulation or Executive Order.

26.3 Termination After Notice and Opportunity to Cure. You will have 30 days, or any lesser period specified below, or any greater period permitted by us or required by law, to cure any default for which we have given notice of termination to you under this Section 26.3, and to provide us with evidence of the cure. If a default is not cured within that period, the Franchise will terminate without the need for further notice to you, effective immediately on the expiration of the cure period. We may give notice of termination under this Section 26.3 for any failure by you to comply with any term of this Agreement or any requirement in our manuals. Defaults may include, for example, if:

(a) You fail to initiate and/or successfully complete initial training;

(b) You fail, refuse or neglect to pay us, our designee or any affiliate of ours any sum owing when due under this Agreement or any other agreement, or to submit to us any required information when due under this Agreement;

(c) You fail to maintain any standard or specification required to be maintained or followed by this Agreement or our manuals;

(d) You offer any unauthorized or unapproved product or service;

(e) You fail, refuse or neglect to obtain our prior written acceptance, approval or consent as required by this Agreement;

(f) You misuse or make any unauthorized use of the System or the Marks, or otherwise materially impair the goodwill associated with or our rights in the System or the Marks;

(g) You or your Manager fail to comply with the requirement of personal attention in Section 4;

(h) You fail to maintain books and records as stated in our manuals, and in a manner that permits an accurate determination of Gross Sales;

(i) You fail, refuse or neglect to pay any third party, including any major supplier, or government taxing or licensing authority, any amount owing when due, or to satisfy any other material obligation relating to the Franchised Business; or

(j) You fail to provide proof of insurance.

26.4 Management Option. We have the right (but not the obligation), in our sole discretion, under the circumstances described below, to enter the premises and assume management of the Franchised Business (or to appoint a designated representative to assume its management) for any period of time we deem appropriate. If we or our designated representative assume management of the Franchised Business under Sections 26.4 (a) or (b), you agree to pay us or our designee, in addition to all other amounts due under this Agreement, an amount equal to 50% of Gross Sales, plus our (or our designated representative's) direct out-of-pocket costs and expenses. If we or our designated representative assume management of the Franchised Business, you acknowledge that we or our designated representative will have a duty to use only commercially reasonable efforts, and will not be liable to you for any debts, losses or obligations that the Franchised Business incurs to any of your vendors or creditors for any products, services or supplies purchased for the operation of the Franchised Business, while we or our designated representative manage it. We or our designated representative may assume the management of the Franchised Business under the following circumstances:

(a) if you abandon or fail to actively operate the Franchised Business;

(b) if you fail to comply with any provision of this Agreement, or any mandatory standard or specification in our manuals, and do not cure the default; or

(c) if the Franchise expires or is terminated.

We will keep in a separate account all monies generated by the operation of the Franchised Business, less the expenses of the Franchised Business, including all amounts described in this Section 26.4 and other amounts owed under this Agreement. Nothing contained herein will prevent us from exercising any other right which we may have under this Agreement, including, our right to terminate this Agreement under Section 26.2 or Section 26.3.

26.5 Disclaimer. We disclaim any right under this Agreement to terminate the Franchise based on any decision or action by you regarding recruiting, interviewing, hiring, keeping the time of, scheduling, processing the payroll of, supervising, disciplining or firing your personnel.

27. OBLIGATIONS ON REPURCHASE, EXPIRATION OR TERMINATION

27.1 On repurchase, expiration or termination of the Franchise, in addition to fulfilling your other continuing obligations under this Agreement:

(a) You promptly will surrender to us or our designee, or, if directed by us, destroy and immediately discontinue the use of, any materials or designations indicating or intending to indicate in any way that you are our franchisee;

(b) You immediately and permanently will discontinue use of the System and any information received under this Agreement and designated as "Confidential";

(c) You promptly will deliver to us or our designee: the Confidential Operations Manual; all other manuals, bulletins, instruction sheets, forms, devices, proprietary software and other materials that you received from us; all customer data (including customer lists) related to the Franchised Business; and all copies of the same;

(d) You promptly will pay all charges due for telephone services, and POKE BAR telephone directory listings and will assign to us or our designee, or will cancel, those telephone listings as we direct and as provided in Section 16.4 of this Agreement, and will discontinue any radio, newspaper or other advertising which may in any way identify you with our products or services;

(e) You promptly will pay all Internet service providers all charges due for online computer network services, and cause any appropriate Internet service provider or comparable authority to cancel or assign to us or our designee, as we direct, any email address, domain name or other comparable electronic identity used in connection with the Franchised Business.

(f) You promptly will take any action necessary to cancel any assumed name or equivalent registration that contains the mark POKE BAR or any other Mark, and submit to us proof of compliance with this obligation within 30 days after repurchase, termination or expiration;

27.2 On expiration or termination of the Franchise, you and we will make a prompt and final accounting. Any sums owed under this Agreement, any sums related to the Franchised Business owed to third parties, and any other sums related to the Franchised Business owed for judgments or otherwise, promptly will be paid by the owing party.

27.3 On expiration of the Franchise, or on termination of the Franchise under Sections 26.1, 26.2 or 26.3, we will have the option, exercisable by giving you written notice within 60 days after the date of expiration or termination, to purchase or have transferred to us the assets of the Franchised Business. Those assets will include the leasehold improvements, equipment, furniture, fixtures, signs and inventory of the Franchised Business, and the lease for the site of the

Franchise Business. We will have the unrestricted right to assign this option. If we exercise this option, the purchase and transfer will be completed on the following terms:

(a) We or our assignee will be entitled to all customary deeds, releases of lien, bills of sale, assignments, and such other documents and instruments that we deem necessary in order to perfect our title and possession in and to the property being purchased or assigned, as well as all warranties and representations concerning the assets, including representations and warranties as to ownership, condition and title to the assets, liens and encumbrances on the assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise. If, at the time of closing, we have not received all of these documents and instruments, we may, in our sole discretion, place the purchase price in escrow pending the receipt of any required documents or instruments;

(b) The purchase price for the assets of the Franchised Business will be their fair market value, determined in a manner consistent with reasonable depreciation of the owned leasehold improvements, equipment, furniture, fixtures, signs and inventory of the Franchised Business. The purchase price will not contain any factor or increment for any trademark, service mark or other commercial symbol used in the operation of the Franchised Business, or for the goodwill or "going concern" value of the Franchised Business. We will be permitted to exclude from the assets purchased and valued any equipment, furniture, fixtures, signs and inventory that do not meet the quality standards for POKE BAR businesses. Also, the lease for the site of the Franchised Business will not be considered in determining the fair market value of the assets. If you and we are unable to agree on the fair market value of the assets, the fair market value will be determined by an independent appraiser jointly selected by you and us, and if we are unable to agree on an appraiser, you and we will each select 1 appraiser, who will jointly select a third appraiser, and the fair market value will be deemed to be the average of the 3 independent appraisals, so long as the highest appraisal is no more than 30% greater than the middle appraisal. If the highest appraisal is more than 30% greater than the middle appraisal, the fair market value will be deemed to be the average of the lowest appraisal and the middle appraisal. You and we will share equally the fees and expenses of any appraiser jointly selected, but will pay for any separately selected appraiser individually.

(c) The closing of the purchase and transfer will take place no later than 90 days after your receipt of our notice of the exercise of this option. We or our assignee will have the option of paying the purchase price at the closing, or in 24 equal monthly installments of principal and interest calculated at the rate of 0.2% over the base rate of the then-current prime, as published in the Wall Street Journal, with the first installment due at the closing.

You will deliver instruments transferring to us or our assignee:

(i) good and merchantable title to the purchased assets free and clear of all liens and encumbrances (other than liens and security interests acceptable to us or our assignee), with all sales and other transfer taxes paid by you;

(ii) all licenses and permits for the Franchised Business which may be transferred; and

(iii) the lease for the site of the Franchised Business (if we have not negotiated a new lease for the site with the landlord).

If the purchase price is paid in installments (in cash, cash equivalents or marketable securities of equal value), at the closing, you will deliver the same instruments to us or our assignee as those described above, except that the documents may reserve liens and encumbrances for your benefit relating to the installments.

(d) We will have the right to set off against and reduce the purchase price of the assets by any and all amounts owed by you to us and our affiliates, and by the amount of any liens or encumbrances against the assets or any other obligations related to the assets that we assume;

(e) If we or our assignee exercise this option, pending the closing, we will have the right to appoint a general manager to maintain the operation of the Franchised Business. If we do, the procedures, duties and limitations specified in Section 25.7 will apply to the operation of the Franchised Business by the general manager. Alternatively, we may require you to close the Franchised Business pending the closing without removing any assets from the premises; and

(f) You will maintain in force all insurance policies required under this Agreement pending the closing.

27.4 On termination of the Franchise under Section 26.2 or 26.3, you agree to pay us or our designee within 15 days after the effective date of termination, in addition to other amounts owed hereunder, liquidated damages equal to the average weekly continuing franchise fee paid during the 12 full calendar months of operation immediately preceding the effective date of termination multiplied by the lesser of: (a) 52 (the number of weeks in 2 full calendar years), or (b) the number of weeks remaining in the term of the Franchise had it not been terminated. You acknowledge that it would be impracticable to determine precisely the damages we would incur from the termination of the Franchise and the loss of cash flow from continuing franchise fees, due to, among other reasons, the difficulties in determining what costs, if any, we might have saved and how much the continuing franchise fees would have grown over what would have been the remaining term of the Franchise. You and we consider the liquidated damages specified in this Section 27.4 to be a reasonable, good faith estimate of those damages. This liquidated damages provision only covers our damages from the loss of cash flow from continuing franchise fees and does not cover any other damages, including damages to our reputation with the public and landlords, and damages arising from any violation of any other provision of this Agreement. You agree that this liquidated damages provision does not give us an adequate remedy at law for any default under or for the enforcement of, any provision of this Agreement other than the continuing franchise fees provision.

28. ENTIRE AGREEMENT; EXECUTION DATE; MODIFICATION

28.1 This Agreement and the attachments are the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to you. The terms of this Agreement are binding on the parties, and on their heirs, executors, administrators, successors and assigns.

28.2 The execution date of this Agreement is the date it is countersigned by us.

28.3 Except as otherwise stated in this Agreement, this Agreement may not be modified except in a written agreement of at least equal formality signed by the parties.

29. INTERPRETATION

29.1 The caption headings of this Agreement are for convenience only and should in no way affect the manner in which any term of this Agreement is interpreted.

29.2 Whenever the context requires, the singular includes the plural, the plural includes the singular, the whole includes any part, and any gender includes all other genders.

29.3 The following words have the following meanings in this Agreement and any attachments: "including" means "including but not limited to"; "will" means "shall"; and "repeatedly" means "at least 4 times".

29.4 Whenever this Agreement gives us the right to perform an act in the future, that act may be performed "from time to time", when we choose, in our sole discretion, unless stated otherwise in this Agreement.

29.5 If 2 or more parties sign this Agreement for you or as your guarantors, their liability is joint and several.

29.6 This Agreement is governed by the Federal Arbitration Act (9 U.S.C. § 1 et seq.), U.S. Trademark Act of 1946 (15 U.S.C. § 1051 et seq.) and the laws of California (without reference to California's conflict of law principles); but if any term of this Agreement not governed by the Federal Arbitration Act or the U.S. Trademark Act of 1946 is not enforceable under the laws of California, that term is governed by the laws of the state in which the largest portion of the Territory is located. Any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee shall apply to this Agreement only if the jurisdictional requirements of such law are met independently, without reference to this Section 29.6.

30. **PARTIAL INVALIDITY**

30.1 If any Section of this Agreement is determined to be wholly invalid, that determination will not be deemed to affect the validity of any other Section. The parties agree that the remaining Sections will be deemed to be in full effect as if they had been executed by the parties after removal of the invalid Section. If any Section is determined to be partially invalid, the remainder of that Section will continue to be enforceable if in accordance with the intent of the parties.

30.2 If any applicable and binding law or rule of any jurisdiction requires greater prior notice of the termination of or refusal to renew the Franchise than is required by this Agreement or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any mandatory standard or specification in our manuals is invalid or unenforceable, the notice and/or action required by the law or rule will be substituted for the notice or action requirements of this Agreement, or the invalid or unenforceable provision, standard or specification will be modified to the extent required to be valid and enforceable. The modifications to this Agreement and our manuals will be effective only in the jurisdiction requiring them, and this Agreement and our manuals will be enforced as originally entered into or issued in all other jurisdictions.

31. **WAIVER AND ESTOPPEL; FORCE MAJEURE**

31.1 No failure to exercise any right reserved to us under this Agreement, or to insist on compliance by you with any term of this Agreement, and no custom or practice of the parties at variance with any term of this Agreement, will constitute a waiver of our right to demand compliance with any term of this Agreement. Our waiver of any default will not affect or impair our rights as to any subsequent default of the same or a different nature; nor will any delay, forbearance or omission by us to exercise any right as to any default of any term of this Agreement affect, impair or be our waiver of any right as to any subsequent default. Our rights and remedies under this Agreement are cumulative, and our exercise or enforcement of any right or remedy under this

Agreement will not preclude us from exercising or enforcing any other right or remedy to which we are entitled.

31.2 The parties to this Agreement will not be considered to be in default of any obligations hereunder, other than the obligation of a party to make payment of amounts due to the other party, if the failure of performance is due to a Force Majeure, including drought, flood, earthquake, storm, fire, lightening, epidemic, war, riot, civil disturbance, sabotage, strike or labor difficulty, or casualty to equipment. If any party is affected by a Force Majeure event, such party will give 14 days' notice to the other party stating the nature of the event, its anticipated duration and any action being taken to avoid or minimize its effect. The suspension of performance will be of no greater scope and no longer duration than is required, and the non-performing party will use its best efforts to remedy its inability to perform. The obligation to pay any amount in a timely manner is absolute and will not be subject to these Force Majeure provisions (Section 31.2), except to the extent prohibited by governmental rule or regulation.

32. **ARBITRATION; ENFORCEMENT**

32.1 Except as otherwise stated in this Agreement, the parties agree that any dispute between them, or any claim by 1 or more of them, concerning this Agreement, any related agreement, the Franchise or the Franchised Business that cannot be settled through negotiation or voluntary mediation, will be resolved solely and exclusively by binding arbitration, unless agreed otherwise by the parties.

32.2 Arbitration will be supervised by the American Arbitration Association ("AAA") and conducted under the then-prevailing commercial arbitration rules of the AAA, before 1 arbitrator. Any arbitration hearing will take place in the county or city in which our home office is located at the time, and will be conducted on an individual, not a class-wide, basis. No arbitration award will have any preclusionary or collateral estoppel effect in any other arbitration or adjudicatory proceeding. Judgment on an arbitration award may be entered in any court of competent jurisdiction, and will be binding, final and non-appealable.

32.3 If any dispute or claim cannot be the subject of arbitration, the parties agree that the dispute or claim will be separated from all other disputes and claims, which other disputes and claims will first be resolved by arbitration, after which any dispute or claim which cannot be the subject of arbitration will be brought before any court stated in Section 32.6. If the parties are unable to separate out these matters, their allegations and positions on them will be brought before the arbitrator(s), who will rule separately on the matters, and that ruling will be subject to appropriate judicial review on the petition of a party.

32.4 Nothing in this Section 32 will prevent us from obtaining temporary, preliminary or permanent injunctive relief, without bond, from a court or agency of competent jurisdiction against actual or threatened conduct causing loss or damage that can be remedied under usual equity rules.

32.5 In any arbitration, any action for any dispute or claim which cannot be the subject of arbitration, or any action for injunctive relief is started concerning this Agreement, any related agreement, the Franchise or the Franchised Business, the party which substantially prevails in that arbitration or action will be entitled to a judgment against the other party for the costs of the arbitration or action, including reasonable attorneys' fees, reasonable expenses of arbitration or litigation, and arbitration or court costs.

32.6 You and we each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agree that if there is a dispute with the other, each party will be limited to the recovery of actual damages sustained by it. You and we each irrevocably waive trial by jury in any court action, whether at law or equity, brought by either party. You and we each also agree that any action brought by either party relating to this Agreement, any related agreement, the Franchise or the Franchised Business will be brought in a state or federal court of general jurisdiction in the county or city in which our home office is located at the time. You irrevocably submit to the jurisdiction of these courts and waive any objections you may have to the venue of these courts.

32.7 You and we each agree that any claims between the parties must be commenced within 1 year after the date on which the party asserting the claim knew or should have known of the facts giving rise to the claim, or the claim will be barred.

33. **NOTICES**

33.1 Any notice required to be given under this Agreement will be deemed to be given when delivered: by certified mail; by fax; by receipted courier or delivery service; by email; or personally. If delivery has not occurred after at least 2 of these methods have been used, any notice required to be given under this Agreement will be deemed to be given 3 days after being posted by first-class mail, postage prepaid.

33.2 Notices to us will be sent to our address as stated in this Agreement or to any other address we may specify to you in writing. Notices to you will be sent to the address of the Franchised Business as stated in this Agreement or any other address you may specify to us in writing.

34. **ACCEPTANCES, APPROVALS AND CONSENTS**

34.1 Acceptances, approvals and consents required by this Agreement will not be unreasonably withheld or delayed.

34.2 Whenever this Agreement requires our prior acceptance, approval, or consent, you will make a timely written request to us for the acceptance, approval or consent, which will be obtained in writing.

34.3 We assume no liability or obligation to you by providing any acceptance, approval, consent or recommendation to you, or by delaying action on or denying any request for an acceptance, approval or consent.

34.4 Notwithstanding anything otherwise contained in this Agreement, if you do not execute and deliver any documents or other assurances so required of you pursuant to this Agreement, or if we our designated representative take over the management or operation of the Franchised Business on your behalf for any reason, you hereby irrevocably appoint us as your lawful attorney with full power and authority to execute and deliver, in your name, any documents and assurances, and/or to manage or operate the Franchised Business on your behalf, and to do all other acts and things, in our sole discretion, and you agree to ratify and confirm all of our acts as your lawful attorney and to indemnify and hold us harmless from all claims, liabilities, losses or damages suffered in so doing.

35. **ACKNOWLEDGMENTS BY FRANCHISEE**

35.1 You acknowledge that:

(a) You have represented to us that neither you nor any of your owners have been designated as suspected terrorists as set forth on the list of Specially Designated Nationals as promulgated by the Office for Asset Control under the U.S. Department of Treasury.

(b) You have conducted an independent investigation of the business contemplated by this Agreement and recognize that it involves significant risks, making the success of the Franchised Business largely dependent on your abilities and attention. We expressly disclaim the making of any guarantee, express or implied, as to the potential sales, profits or success of the Franchised Business.

(c) In entering into this Agreement, you have not relied on any representation by us, or any of our shareholders, members, partners, officers, directors, employees or agents concerning the Franchised Business which are contrary to the terms of this Agreement and any attachments.

(d) You (and each shareholder, partner or member if you are a legal entity) have read and understand this Agreement and all attachments, have fully and adequately explained the terms of each to your satisfaction; and we have accorded you ample time and opportunity to consult, and you have consulted, with existing franchisees, and with financial, legal and other advisors of your own choosing, about the potential benefits and risks of establishing and operating a Franchised Business under this Agreement.

(e) Complete and detailed uniformity among our franchisees under varying conditions may be inadvisable, impractical or impossible, and accordingly agree that we, in our sole discretion, may modify or vary aspects of the System as to any franchisee or group of franchisees based on, for example, local sales potential, demographics, competition, business practices or other conditions. You further agree that we will have no obligation to disclose or offer the same or similar variances to you. You are aware that other POKE BAR franchisees may operate under different agreements and, consequently, that our obligations and rights as to those franchisees may differ materially in certain circumstances.

Each of the undersigned agrees to the terms of this Agreement.

______________________ ("YOU")	JB BROTHERS, INC. ("WE")
By: ____________________	By: ____________________
Printed Name: ____________	Printed Name: ____________
Its: ____________________	Its: ____________________
Date Signed: _____________	Date Signed: _____________

Attachment 1A

RESERVED AREA ADDENDUM

This RESERVED AREA ADDENDUM is attached to and made a part of the Agreement between you and us as of the Effective Date of the Agreement.

1. We have not yet accepted a proposed site for your POKE BAR business.

2. Your Reserved Area under Section 2.1 of the Agreement is:

____

The undersigned hereby agree to the terms of this Addendum.

______________________________ (“YOU”)	JB BROTHERS, INC. (“WE”)
By: ______________________________	By: ______________________________
Printed Name: ______________________	Printed Name: ______________________
Its: ______________________________	Its: ______________________________
Date Signed: ______________________	Date Signed: ______________________

<u>Attachment 1B</u>

SITE ADDENDUM

This SITE ADDENDUM is attached to and made a part of the Agreement between you and us as of the Effective Date of the Agreement.

In accordance with Section 2.2, you will locate the Franchised Business at the following site within the Reserved Area:

____

The undersigned hereby agree to the terms of this Addendum.

____________________ [NAME](“YOU”)	JB BROTHERS, INC. (“WE”)
By: ____________________	By: ____________________
Printed Name: ____________________	Printed Name: ____________________
Its: ____________________	Its: ____________________
Date Signed: ____________________	Date Signed: ____________________

Attachment 2

TELEPHONE AND INTERNET SERVICE TRANSFER CONSENT AND AUTHORIZATION

On the expiration, termination, repurchase or transfer of the Franchise for any reason whatsoever, [Name], hereby irrevocably appoints and designates JB Brothers, Inc. as its attorney-in-fact to direct the telephone company to change, transfer and/or terminate any listed telephone numbers relating to the Franchised Business, and to direct any Internet service provider or comparable Internet authority to change, transfer and/or terminate any email addresses, domain names or other comparable electronic identities relating to the Franchised Business. [Name] also hereby agrees that JB Brothers, Inc. may execute any legal document on its behalf to carry out the intent of this consent and authorization.

____ [NAME OF COMPANY]

By: _______________________________

Printed Name: _______________________________

Its: _______________________________

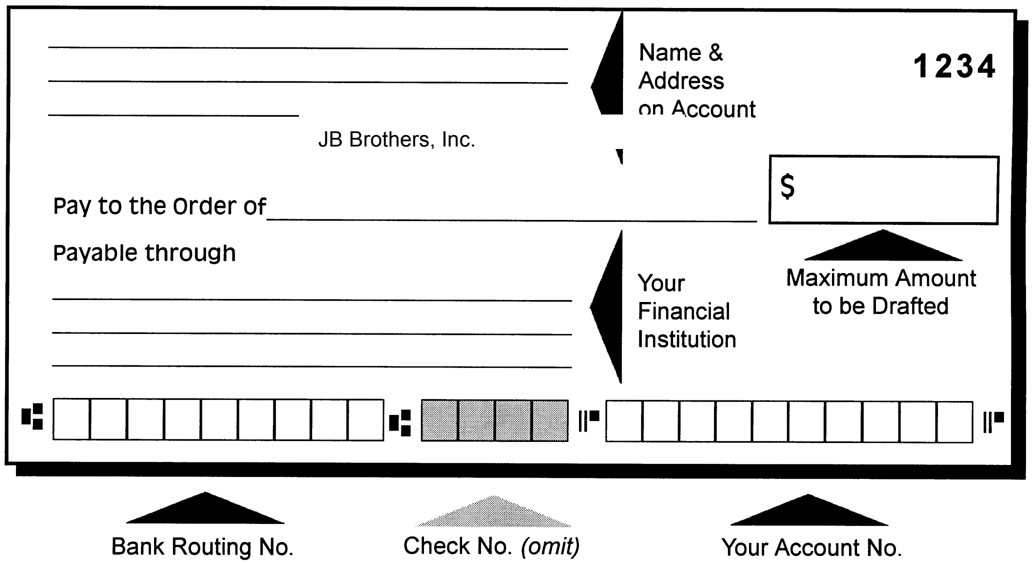
Date Signed: _______________________

<u>**Attachment 3**</u>

ACH ORIGINATION AUTHORIZATION

ACH Origination services will not be considered until this application is
FILLED OUT COMPLETELY

Please complete the following with your banking information and attach a voided check:



[Name] ("_________") hereby authorizes JB Brothers, Inc. ("Franchisor") and the financial institution named above to initiate entries to ("_________") checking or savings accounts as identified above in accordance with the sales analysis submitted by ("_________") to Franchisor and, if necessary, to initiate adjustments for any transactions credited in error. This authority will remain in effect until ("_________") notifies either Franchisor or the above-named financial institution in writing to cancel it in such time as to afford a reasonable opportunity to act on such instructions. ("_________") can stop payment of any entry by notifying the above-named financial institution at least 3 days before its account is scheduled to be charged. ("_________") can have the amount of an erroneous charge immediately credited to its account for up to 15 days following issuance of its statement by the above-referenced financial institution or up to 60 days after deposit, whichever occurs first.

("_________") [NAME], (APPLICANT)

By: ___________________________

Printed Name: ___________________

Its: ___________________________

Date: _________________________

Telephone Number: __________________________________

Contact Person (if different from person signing): ____

Applicant's Address (if different from check): ____

Attachment 4

LEGAL ENTITY INFORMATION SHEET

Legal Entity Name/Type: [Name]

State/Date of Formation: []/[Date]

Members:

________ Member ______________________________
% Interest Name

________ Member ______________________________
% Interest Name

________ Member ______________________________
% Interest Name

Documents:	**Not Required**	**Provided to Us**	**To Be Provided to Us Within 30 Days**
Certificate and Articles of Incorporation	☐	☐	☐
Certificate and Agreement of Partnership	☐	☐	☐
Certificate and Agreement of Membership	☐	☐	☐
By-Laws	☐	☐	☐
Resolution Authorizing Franchise	☐	☐	☐
Agreement	☐	☐	☐
Other: ______________________________	☐	☐	☐

Conditions:

The legal entity's activities must be confined exclusively to operating the Franchise.

__________________ (or another person with our written consent) must act as the legal entity's principal operating officer, partner or member.

Each shareholder, partner or member who has or have more than a 5% interest must sign the Guaranty Agreement (Attachment 5).

The legal entity must maintain stop transfer instructions against transfer on its records of any stock certificate or certificate of interest contrary to the terms of the franchise agreement.

Each stock certificate of the corporation or certificate of interest of the partnership or membership must include the statement specified in the franchise agreement.

The legal entity must maintain a current list of all shareholders, partners or members and other beneficial owners, and must furnish the list to us on request.

Attachment 5

GUARANTY AGREEMENT

In consideration of, and as an inducement to, the signing by JB Brothers, Inc. ("we", "us" or "our") of the franchise agreement dated _______________, 2017 between us and _____________ [Name], ("Franchisee") (the "Agreement"), each undersigned Guarantor ("you or "your") personally and unconditionally (1) guarantees to us and our successors and assigns, for the term of the Franchise and thereafter as provided in the Agreement, that Franchisee will punctually pay or perform each obligation in the Agreement, and (2) agrees to be personally bound by, and personally liable for the default of, each term of the Agreement. Each of you waives:

(1) our acceptance and notice of acceptance of these undertakings;

(2) notice of demand for payment of any indebtedness or non-performance of any obligation guaranteed;

(3) protest and notice of default to any party as to any indebtedness or non-performance of any obligation guaranteed;

(4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

(5) any other notices and legal or equitable defenses to which you may be entitled.

Each of you agrees that:

(1) your direct and immediate liability under this guaranty is joint and several;

(2) you will render any payment or performance required under the Agreement on demand if Franchisee fails or refuses to do so punctually;

(3) your liability will not be contingent or conditioned on our pursuit of any remedies against Franchisee or any other person; and

(4) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claim, none of which will in any way modify or amend this guaranty, that will be continuing and irrevocable for as long as any obligation in the Agreement remains in effect.

Each of you affixes your signature to this guaranty as of the same date as the date of signing of the Agreement.

____
GUARANTOR

Name: ___________________

Address: ____

Percentage Ownership in Franchise: ____%

____
GUARANTOR

Name: ___________________

Address: ____

Percentage Ownership in Franchise: ____%

Attachment 6

LEASE ADDENDUM

THIS LEASE ADDENDUM is entered into this _ day of ________________, 20__, among JB Brothers, Inc. ("Franchisor"); ____("Lessor"); and [Name] ("Lessee").

RECITALS:

A. Lessor has agreed to lease to Lessee certain premises located at ______________________ ____ ("premises") within a center known as _______________ ________________ ("center') for use by Lessee as a POKE BAR business ("Franchised Business") operated under Franchisor's system and proprietary marks under a written franchise agreement dated __________________ between Franchisor and Lessee as franchisee ("Franchise Agreement");

B. Under the terms of the Franchise Agreement, all right, title and interest in the lease and this Addendum ("Lease") must be transferred to Franchisor, if Franchisor, in its sole and absolute right, exercises any option to purchase the assets of the Franchised Business contained in the Franchise Agreement.

C. It is the intent of the parties to provide Franchisor with the opportunity to preserve the premises as a Franchised Business in case of any expiration or termination of the franchise granted in the franchise agreement and to assure Lessor that any defaults under the Lease will be cured before Franchisor takes possession of the premises; and

D. Lessee and Franchisor wish to preserve their rights under the Franchise Agreement as to the premises, including Franchisor's right to enter and/or take possession of the premises to enforce Franchisor's rights on Lessee's default under the Lease or the Franchise Agreement.

In consideration of the recitals above and of the terms below, the parties agree:

1. Default of Lessee under Lease. Lessor will give Franchisor notice of any default or termination of the Lease concurrently with giving notice to Lessee. If Lessee fails to cure any default within the period provided in the Lease, Lessor will give Franchisor immediate written notice of the failure to cure and Lessor will offer to Franchisor and Franchisor will have the sole and absolute right (but not the obligation), either to cure the default and preserve Lessee's interest in the premises and in the Lease, or to accept an assignment of the Lease or a new lease containing the same terms of the Lease, as Franchisor elects. If Franchisor elects to continue the use of the premises under an assignment of the Lease or a new lease, it will so notify Lessor in writing within 30 days after it has received written notice from Lessor specifying the default(s) Lessee has failed to cure within the period specified in the Lease. On receipt of that notice from Franchisor, Lessor will promptly execute and deliver to Franchisor an assignment of the Lease or a new lease, whichever Franchisor requests, and will promptly deliver to Franchisor possession of the premises, free and clear of any rights of Lessee or any third party. Franchisor, before taking possession of the premises, will cure the default(s) specified by Lessor in its notice to Franchisor and will execute and deliver to Lessor its acceptance of the assignment of Lease or of a new lease, as the case may be.

2. Repurchase, Termination or Expiration of Franchise. If Franchisor repurchases the franchise from Lessee, or if the franchise between Franchisor and Lessee expires or is terminated for any reason during the term or any extension of the Lease, Lessee, on the written request of Franchisor, will assign to Franchisor all of its right, title and interest in the Lease. If Franchisor elects to accept the assignment of the Lease from Lessee, it will give Lessee and Lessor written

notice of its election to acquire the leasehold interest. Lessor consents to the assignment of the Lease from Lessee to Franchisor, subject to Lessee's and/or Franchisor's curing any default(s) of Lessee under the Lease before Franchisor takes possession of the premises. Alternatively, in case of repurchase, expiration or termination of the franchise, Franchisor may elect to enter into a new lease with Lessor containing the same terms as the Lease. On Lessor's receipt of written notice from Franchisor advising Lessor that Franchisor elects to enter into a new lease, Lessor will execute and deliver the new lease to Franchisor for its acceptance. Lessor and Lessee will deliver possession of the premises to Franchisor, free and clear of all rights of Lessee or third parties, subject to Franchisor curing any default(s) of Lessee under the Lease and executing an acceptance of the assignment of Lease or the new lease, as the case may be. If Franchisor does not accept assignment of the Lease or a new lease after expiration or termination of the franchise, or if Franchisor determines that it must enter the premises to enforce any of its rights under the Franchise Agreement, Lessor consents to Franchisor's or its agent's entry onto the premises to enforce Franchisor's rights under the Franchise Agreement, including the removal of signs, materials, fixtures, equipment and other items identifying Lessee with Franchisor or belonging to Franchisor. Lessor agrees that, in exercising these rights, Franchisor will not be guilty of trespass or any other tort as to Lessor. Franchisor agrees to repair any damage to the premises caused by its entry and activity on the premises.

3. Relationship to Franchise Agreement. Lessor acknowledges that the Lease and/or any new or amended lease executed by the parties will be subject to and not inconsistent with the Franchise Agreement. For example, Lessor must permit Franchisor's entry onto the premises for the purpose of enforcing Franchisor's rights under the Franchise Agreement or for routine visits.

4. Use or Assignment of Premises. The parties agree that the premises must only be used for the operation of the Franchised Business, and that Lessee may not sublease or assign all or any part of its occupancy rights without Franchisor's prior written approval.

5. Exclusivity. Lessor agrees not to negotiate with or lease space within the center to any other tenant that will operate a business serving poke bowls, which consist of raw fish salads using a variety of fish and other kinds of seasonings, as ten percent (10%) or more of its menu. Such other businesses include but are not limited to [insert names].

6. Obligations of Franchisor. The parties acknowledge that the Lease does not create any rights against or obligations of Franchisor unless specifically stated in this Addendum.

7. Display of Marks. Lessor agrees that Lessee and/or Franchisor may display Franchisor's and/or its licensor's marks according to Franchisor's specifications in the Confidential Operations Manual provided to Lessee under the Franchise Agreement, as modified from time to time by Franchisor in its sole and absolute right, subject to the provisions of applicable law and community standards.

8. Right to Information. Lessor agrees to provide to Franchisor, on request, information regarding the Franchised Business or the Lease, including any information furnished to Lessor by Lessee.

9. Delivery of Lease; Franchisor's Prior Written Approval. Lessor and Lessee agree to deliver the Lease in executed form to Franchisor within 5 days after execution.

10. Waiver. Failure of Franchisor to enforce or exercise any of its rights under this Addendum will not constitute a waiver of those rights or a waiver of any subsequent enforcement or exercise of its rights under this Addendum.

11. Execution of Documents. The parties agree to execute all documents or agreements and to take all action as may be necessary or desirable to effectuate the terms of this Addendum.

12. Amendment of Lease. Lessor and Lessee agree not to amend, modify or waive the terms of the Lease in any respect that would adversely affect Franchisor's rights without the prior written consent of Franchisor.

13. Vacation of Premises. Lessee agrees to peaceably and promptly vacate the premises and to remove its personal property on the repurchase, termination or expiration of the franchise or on Lessee's failure to timely cure defaults under the Lease. Any property not so removed within 10 days after Lessee vacates the premises will be deemed abandoned.

14. Delivery of Possession. If it becomes necessary for Lessor to pursue legal action to evict Lessee in order to deliver possession of the premises to Franchisor, Franchisor will, at the written request of Lessor, pay into escrow amounts necessary to cure any default(s) by Lessee, pending delivery of the premises to Franchisor. If Lessor is unable to deliver the premises to Franchisor within 6 months after the date Franchisor notifies Lessor of its election to continue the use of the premises, Franchisor will have the right at any time to withdraw its election to acquire a leasehold interest in the premises, at which time all amounts deposited by Franchisor in escrow plus interest earned will be returned promptly to Franchisor. Franchisor will not be required to cure defaults and/or begin paying rent until delivery to it of possession of the premises, free and clear of any of Lessee's rights or the rights of any third parties.

15. Lessee's Liability. Lessee will remain liable for all of its obligations under the Lease regardless of the assignment of the Lease to Franchisor or the execution of a new lease between Franchisor and Lessor, and Franchisor will be entitled to recover from Lessee all amounts it has paid to Lessor to cure any default(s) by Lessee under the Lease.

16. Notices. All notices will be sent by certified mail and by email to the following addresses or to such other addresses as the parties may, by written notice, designate. Such notices will be deemed to be given 3 days after being sent by certified mail.

If to Franchisor:	JB Brothers, Inc. Attention: President 8539 West Sunset Boulevard #5 West Hollywood, California 90069
If to Lessor:	Attention:
If to Lessee:	Attention:

17. Binding Effect. This Addendum will be binding on the parties, their heirs, executors, successors, assigns and legal representatives.

18. Severability. If any provision of this Addendum or any part is declared invalid by any court of competent jurisdiction, the provision will not affect the validity of this Addendum and the remainder of this Addendum will remain in effect according to the terms of the remaining provisions or parts of provisions of this Addendum.

19. Remedies. The rights and remedies created under this Addendum will be deemed cumulative and no 1 of the rights or remedies will be exclusive at law or in equity of the rights and remedies which Franchisor may have under this Addendum or any other agreement to which Franchisor and Lessee are parties.

20. Attorneys' Fees. If any action is instituted by any party to enforce any provision of this Addendum, the prevailing party will be entitled to recover all attorneys' fees and costs incurred in the action.

21. Effective Date. Each of the undersigned agrees to the terms of this Addendum, effective the day and year first above written.

LESSEE: [NAME]

By: ______________________________
Printed Name: ______________________
Its: ______________________________

FRANCHISOR: JB BROTHERS, INC.

By: ______________________________
Printed Name: ______________________
Its: ______________________________

Attachment 7

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

THIS AGREEMENT is entered into by [NAME] ("we," "us," or "our"), a franchisee of JB BROTHERS, INC. ("Franchisor"), ________________________ is ("you," "your" or "yourself").

RECITALS

A. We desire to engage or employ you; and

B. You desire to be engaged or employed by us, in connection with our POKE BAR business.

In consideration of the recitals above and the terms below, the parties agree:

1. Covenants Not to Disclose; Covenants Not to Compete. You agree that certain methods of doing business and other elements comprising the POKE BAR system are distinctive and have been developed by Franchisor and us at great effort, skill, time and expense; that you will have regular and continuing access to valuable trade secrets, confidential information and valuable training regarding the POKE BAR system; and that you recognize your obligation to promote and develop our POKE BAR business. You accordingly agree as follows:

(a) Except as required in duties performed for us, you will never, either during or after the term or engagement or employment, either directly or indirectly, use, or disseminate or disclose to any person or entity, any trade secrets or confidential information, including customer names, other customer information and business methods, of Franchisor or us, and will always seek to preserve the confidentiality of those trade secrets and confidential information.

(b) During your engagement or employment, you will not, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, divert or attempt to divert any business or customer of ours to any competitor or other person by direct or indirect inducement or otherwise, but this Section will not prevent you from referring customers in good faith to other businesses, including competitors' businesses, that may be able to provide those customers with products or services not available from our business.

(c) During your engagement or employment and for an uninterrupted period of 1 year after termination of your engagement or employment, regardless of the cause of termination, you will not, without the written consent of us and Franchisor, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, engage or seek to engage as an independent contractor or employ or seek to employ any person who, within the preceding 6 months, has been an independent contractor or employee of Franchisor, us or any other POKE BAR franchisee.

(d) During your engagement or employment, you will not, without the written consent of us and Franchisor, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any other person or entity, own, maintain, engage in, have any interest in or perform any service for any business other than us located in the United States that, offers or that franchises or licenses others to offer, products or services that are the same as or substantially similar to products and services offered by us or Franchisor.

(e) For 1 year after termination of your engagement or employment, regardless of the cause of termination, you will not, without the written consent of us and Franchisor, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any other person or entity, own, maintain, engage in, have any interest in or perform any service for any business that offers, or that franchises or licenses others to offer, products or services that are the same as or substantially similar to the products or services that were or could have been offered by us or Franchisor when you were engaged or employed, and that operates: (1) within our Territory, or (2) within the Territory of any other POKE BAR franchisee's business operating or in planning at the time of termination.

2. You agree that we may, if we require in our sole discretion, reduce the scope of any term or subpart of any term in this Agreement without your consent, effective immediately on written notice from us, and you agree that you will promptly comply with any term or subpart so modified, that will be fully enforceable notwithstanding any other term or subpart of this Agreement.

3. Covenants As Independent, and As Conditions Precedent to Engagement or Employment. Your covenants in Section 1 are independent of any other terms of this Agreement, and are conditions precedent to engagement or employment. Any claim or cause of action against us or Franchisor, whether predicated on this Agreement or otherwise, will not be a defense to the enforcement by us or Franchisor of the covenants in Section 1.

4. Covenants Concerning Our and Franchisor's Records and Other Property. You agree that all our and Franchisor's records, including records of our customers and all other records relating in any manner to our POKE BAR business, whether prepared by you or otherwise coming into your possession, are the exclusive property of us or Franchisor. Additionally, you agree that all files, records, documents, drawings, specifications and similar items for our POKE BAR business, including all copies of those items, whether prepared by you or otherwise coming into your possession, will not be removed by you from our premises without our written consent. Any records not at our premises will immediately be returned to us by you on termination of your engagement or employment, regardless of the cause of termination.

5. Severability. If a part of a covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency, you agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in this Agreement. If an entire covenant in this Agreement is held invalid, unreasonable or unenforceable by a court or agency, the remaining covenants in this Agreement will continue in effect.

6. Injunctive Relief. We or Franchisor, in addition to other legal and equitable rights, will be entitled to temporary, preliminary or permanent injunctive relief, without bond, restraining your actual or threatened violation of any covenant in this Agreement.

7. Attorneys' Fees. In a legal action for damages, injunctive relief, the return of property or any other legal or equitable remedy, you agree to pay our or Franchisor's reasonable attorneys' fees, court costs and reasonable out-of-pocket expenses for the action.

8. Governing Law This Agreement will be governed by the laws of California.

9. Binding Effect. This Agreement will be binding on the parties, and their heirs, executors, administrators, successors and assigns.

10. Modification. This Agreement may not be modified except in written agreement of at least equal formality signed by the parties.

The undersigned agree to the terms of this Agreement.

____
INDEPENDENT CONTRACTOR OR EMPLOYEE

____

Date: ______________________________

[NAME]

By: ______________________________

Name: ______________________

Title: ______________________

Date: ______________________

(Note: To be signed by each Manager, and by each person attending Franchisor's initial training.)

JB Brother's Inc. d/b/a Poke Bar

Table of Contents of Confidential Operations Manual

Exhibit D to the Disclosure Document

Table of Contents

Table of Contents 2

Chapter 1. Introduction 4

Chapter 2. Welcome to POKÉ BAR 5
HISTORY OF POKÉ BAR 5
LETTER FROM THE POKÉ BAR PRESIDENT 5

Chapter 3. Support Resources 7
RESTAURANT FRANCHISE CORPORATE OFFICERS 7

Chapter 4. Pre-Opening Obligations 8

Chapter 5. Staffing Your POKÉ BAR Franchise 10
COMPLY WITH FEDERAL AND STATE/LOCAL LAWS 10
HIRING PROCEDURES 10
NEW HIRE PROCEDURES 11
FOOD COMPENSATION 12
POKÉ BAR RESTAURANT STAFF 12

Chapter 6. Franchisee Training Requirements 16
POKÉ BAR ORIENTATION TRAINING 16
DAY 1 and 2 16
DAY 3 and 4 17
DAY 5 and 6 17
DAY 7 and 8 18
DAY 9-10 20
SUBSEQUENT TRAINING 20
ADDITIONAL TRAINING/ REFRESHER COURSES 20

Chapter 7. Restaurant Policies 21
IMAGE DÉCOR & THEME 22
QUALITY STANDARDS OF SERVICES 23
HANDLING CUSTOMER COMPLAINTS AND PROBLEMS 24
EMPLOYEE APPEARANCE (TRADE DRESS) AND HYGIENE 24
EMPLOYEE MAINTAINANCE 26
HOURS OF OPERATION 27
COMPUTER USAGE 27
CELL PHONE USE POLICY 27
HARASSMENT/DISCRIMINATION INVESTIGATION PROCEDURE 29
WORKERS' COMPENSATION 36

Chapter 8. Restaurant Operation and Maintenance 38
MENU – example only/prices vary 38
SERVING 38
OPENING PROCEDURES 42
CLOSING PROCEDURES 45
ALL-DAY PROCEDURES 46
GENERAL HOUSEKEEPING AND CLEANING SCHEDULE 47
ENSURE CLEANLINESS 47
WEEKLY DEEP CLEANING SCHEDULE: 47

FRONT OF HOUSE DAILY CLEANING DUTIES: 49
FOOD/SUPPLIES ORDERING PROCEDURE 53
FISH MAINTENANCE 56
MANAGER/SHIFT LEADER CHECKLIST 59
ALARMS, LOCKS, AND KEYS 60

Chapter 9. Restaurant Equipment, Computer System, Inventory, and Supplies 60
RESTAURANT EQUIPMENT/FURNITURE/SUPPLIES 61
LIST OF INGREDIENTS/FOOD/INVENTORY 63
OFFICE MANAGEMENT SOFTWARE 63
POS SYSTEM 64
APPROVED VENDORS 64

Chapter 10. Administration 66
RECORD KEEPING 66
PAYROLL PROCESSING PROCEDURE 68
VERIFY TIPS 68
ACCOUNTING SERVICES 69

Chapter 11. Reports, Audits & Inspections 71
FRANCHISEE REPORTS 71
RECORDS AND REPORTS 71
AUDITS AND INSPECTIONS 72
CONTACT WITH OTHERS 73

Chapter 12. Marketing 73
MARKETING AT POKÉ BAR 73
LOYALTY CARD 74
GETTING STARTED WITH YOUR MARKETING PLAN 75

Chapter 13. Sales & Pricing 76
PRICING POLICIES AND FEE STRUCTURES 76

Chapter 14. Insurance Requirements & Risk Management 77
GENERAL INSURANCE COVERAGE 77
RISK MANAGEMENT 79

Chapter 16. Trademarks and Trade Secrets - Protection Policies 81
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION 81
TRADEMARK USAGE AND GUIDELINES 82
EXAMPLES OF TRADEMARK MISUSE 83

Chapter 17. Resale, Transfer, Renewal and Closing 84
CONDITIONS OF RENEWAL 84
CONTINUATION 85
ASSIGNMENT OR TRANSFER 85
TERMINATION 88

JB Brother's Inc. d/b/a Poke Bar

AUDITED F/S
2015 and 2016 with Auditor's Notes

Exhibit E to the Disclosure Document

<u>JB BROTHERS, INC.</u>

FINANCIAL STATEMENTS
(AUDITED)

FOR THE YEAR ENDED
DECEMBER 31, 2015

JAMES Y. LEE & CO.
ACCOUNTANCY CORPORATION

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Income	5
Statement of Changes in Shareholders' Equity	6
Statement of Cash Flows	7
Notes to Financial Statements	8
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	13
Supplementary Information 1	14
Supplementary Information 2	15

JAMES Y. LEE & CO.
Accountancy Corporation

2855 Michelle Drive, Suite 200, Irvine, CA 92606
Tel: 714.669.1400 Fax: 714.669.0040

To the Board of Directors & Shareholders of
JB Brothers, Inc.

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of JB Brothers, Inc., which comprise the balance sheet as of December 31, 2015, and the related statements of income, changes in shareholders' equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

2855 Michelle Drive, Suite 200, Irvine, CA 92606
Tel: 714.669.1400 Fax: 714.669.0040

INDEPENDENT AUDITORS' REPORT- continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JB Brothers, Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

James Y. Lee & Co., CPA's

December 14, 2016
James Y. Lee & Co.
Accountancy Corporation

JB BROTHERS, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2015

ASSETS

Current Assets				
Cash	$	(2,885)		
Inventory, net		8,493		
Total Current Assets			$	5,608
Property and Equipments				
Equipment		14,033		
Sign		7,200		
Leasehold improvement		61,947		
Less: accumulated depreciation		(6,933)		
Total Property and Equipments				76,247
Other Assets				
Loan receivable		2,696		
Security deposit		10,463		
Total Other Assets				13,158
TOTAL ASSETS			$	95,013

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2015

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities				
Credit card payable	$	748		
Income tax payable		351		
Payroll tax payable		2,558		
Sales tax payable		2,841		
Total Current Liabilities			$	6,498
Shareholders' Equity				
Common stock, $10 par value, 100,000 shares authorized; issued: 6,754		67,540		
Retained earnings		20,974		
Total Shareholders' Equity				88,514
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			$	95,013

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

Sales			
Sales, net		$	349,145
Cost of Sales (Supplementary Information 1)			(123,795)
Gross Profit			225,350
Operating Expenses (Supplementary Information 2)			(204,025)
Income before Income Taxes			21,325
Provision for Income Taxes			
Current tax expense	351		
Total Provision for Income Taxes			(351)
Net Income (Loss)		$	20,974

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

Common Stock		
Balance, Beginning of the year	$ -	
Issurance of common stock	67,540	
Balance, End of the year		$ 67,540
Retained Earnings		
Balance, Beginning of the year	-	
Net Income (Loss)	20,974	
Balance, End of the year		20,974
TOTAL SHAREHOLDERS' EQUITY		$ 88,514

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

Cash Flows from Operating Activities		
Net income	$	20,974
Adjustments to reconcile net income to net cash provided by operating activities:		
Operating activities:		
Inventory		(8,493)
Credit card payable		748
Income tax payable		351
Payroll tax payable		2,559
Sales tax payable		2,841
Security deposit		(10,463)
Net cash provided by operating activities		8,517
Cash Flows from Investing Activities		
Equipment		(14,033)
Sign		(7,200)
Leashold improvements		(61,947)
Depreciation		6,933
Loan receivable		(2,696)
Net cash used in investing activities		(78,942)
Cash Flows from Financing Activities		
Capital		67,540
Net cash provided by financing activities		67,540
Net Increase (Decrease) in Cash		(2,885)
Cash and Cash Equivalents, Beginning of the year		-
Cash and Cash Equivalents, End of the year	$	(2,885)

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 –ORGANIZATION AND NATURE OF BUSINESS

JB Brothers, Inc. (the Company) was incorporated under the laws of the State of California on January 6, 2015. The Company is 50% owned by Seung Nam Park and 50% owned by Jeong Hi Ju. The Company has registered fictitious business name in the County of Los Angeles under the name of “Poke Bar” and begun operation under this name beginning April 1, 2015.

The Company is a limited service restaurant and the main item that they sell is poke. Poke is a raw fish salad in Hawaiian cuisine. Raw fishes such as tuna, salmon, albacore, shrimp, octopus, and scallop are mixed with seaweed, onions, kale and more to create a fresh, light, and delicious meal. Customers can customize what individual items can go into their bowl to fit their needs and wants.

The Company has one direct operating restaurant in 2015, however, from the year of 2016 the Company is planning to grant franchises to third parties to operate food restaurants under the name of “Poke Bar”.

NOTE 2 – LIQUIDITY

The Company has a retained earnings of $ 20,974 and has a working capital deficit of $ 890 as of December 31, 2015.

The Company currently utilizes cash flows from operations, to fund the current and long term operations of the Company. The Company is undertaking various plans and measures to increase its working capital, and if necessary may raise additional capital through debt or equity financing.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts or the amount and classification of liabilities that would be necessary should the Company be unable to continue as a going concern.

NOTE 3 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting **-** These financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles whereby revenues are recognized in the period earned and expenses when incurred.

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

Cash and Cash Equivalents **-** All highly liquid investments with original maturities of three months or less at the time of purchase are considered cash equivalents.

Financial Instruments and Credit Risk **-** Financial instruments that potentially subject the Company to credit risk include cash and cash equivalents. Cash is generally deposited in demand accounts in federally insured domestic institutions to minimize risk.

Revenue Recognition **-** Revenue from sales is recognized at the time of food purchase is made by customers. Each purchase is recorded through point-of-sale (POS) machines.

Inventory **-** The Company utilizes the cost method to determine the value of inventory on hand. All inventories are valued at the lower of cost or market.

Property and Equipment **-** Property and equipment are carried at cost. Depreciation is computed on a straight-line basis. Leasehold improvements are amortized over the lesser of the lease term or the estimated useful life of the improvements. Expenditures for renewals or betterments are capitalized, and repairs and maintenance are charged to expense as incurred. The cost and accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts, and any gain or loss thereon is reflected in operations. Estimated useful lives are as follows:

Machinery and equipment	5 years
Furniture and fixtures	7 years
Sign	7 years
Leasehold improvements	15 years

***Income Taxes* –** Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period and any adjustment to tax payable in respect of previous years.

NOTE 4 -PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2015:

	Cost	Accumulated Depreciation	Net
Leasehold improvements	$ 61,947	$ 4,658	$ 57,289
Equipment & fixtures	14,033	1,504	12,529
Sign	7,200	771	6,429
Total	$ 83,180	$ 6,933	$ 76,247

Depreciation expense was $ 6,933 during the year ended December 31, 2015.

NOTE 5 – INVENTORY

The Inventory as of December 31, 2015 are as follows:

Raw fish	$ 6,000
Others	2,493
Total	$ 8,493

NOTE 6 – CAPITAL STOCK

The Company is authorized to issue 100,000 common shares. During the year of 2015 the Company issued 3,377 shares to each of the 50% owners, Seung Nam Park and Jeong Hi Ju, for their combined initial investment of $67,540.

NOTE 7 – OPEARATING LEASES

The Company conducts its operations under the following operating lease commitments:

Initial Term: 5 years
Commencement Date: April 1, 2015
Base Rent: $ 4,025 per month
Common Area Operating Expense: $623 per month

Years Ending	Amount (without consideration of CPI)
2016	$ 55,776
2017	55,776
2018	55,776
2019	55,776

NOTE 8 – INCOME TAXES PAYABLE

The Company has income taxes payable as of December 31, 2015 as follows:

Income Taxes Payable - CA	$ 351
Total	$ 351

NOTE 9 – STATEMENT OF CASH FLOW

For the purpose of the statement of cash flows, the Company considers cash in bank and on hand to be cash and cash equivalents.

NOTE 10 - SUBSEQUENT EVENTS

The Company has evaluated and disclosed subsequent events through December 14, 2016, the date the financial statements were available for issuance, and is not aware of any subsequent events that would have a material impact on the accompanying financial statements.

JAMES Y. LEE & CO.
Accountancy Corporation
2855 Michelle Drive, Suite 200, Irvine, CA 92606
Tel: 714.669.1400 Fax: 714.669.0040

To the Board of Directors & Shareholders of
JB Brothers, Inc.

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

We have audited the financial statements of JB Brothers, Inc. as of and for the year ended December 31, 2015, and our report thereon dated December 14, 2016, which expressed an unqualified opinion on those financial statements, appears on page 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information contained in the schedules of cost of sales and operating expenses for the year then ended December 31, 2015 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

James Y. Lee & Co., CPA's

James Y. Lee & Co.
Accountancy Corporation
Irvine, California
December 14, 2016

JB BROTHERS, INC.
SUPPLEMENTARY INFORMATION 1
SCHEDULE OF COST OF SALES
FOR THE YEAR ENDED DECEMBER 31, 2015

Cost of Sales

Beginning inventory	$ -	
Purchase	132,288	
Ending inventory	(8,493)	
Total Cost of Sales		$ 123,795

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
SUPPLEMENTARY INFORMATION 2
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

Operating Expenses

Auto expense	$ 659		
Advertising and promotion	5,569		
Bank charges	98		
Depreciation	6,933		
Insurance expense	6,677		
Meals & entertainment	4,181		
Merchant fee	9,616		
Office expense	1,680		
Outside services	396		
Parking	2,722		
Payroll taxes	8,204		
Postage and delivery	41		
Printing	2,100		
Professional fees	1,900		
Rent	41,832		
Repair & maintenance	579		
Salaries & wages	70,589		
Sales tax expenses	27,739		
Supplies	4,386		
Tax and licenses	1,215		
Telephone	1,222		
Travel	336		
Uniform	740		
Utilities	4,612		
Total Operating Expenses		$	204,025

See accompanying auditors' report and notes to the financial statements.

<u>JB BROTHERS, INC.</u>

FINANCIAL STATEMENTS
(AUDITED)

FOR THE YEAR ENDED
DECEMBER 31, 2016

JAMES Y. LEE & CO.
ACCOUNTANCY CORPORATION

<u>**TABLE OF CONTENTS**</u>

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Income	5
Statement of Changes in Shareholders' Equity	6
Statement of Cash Flows	7
Notes to Financial Statements	8
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	17
Supplementary Information 1	18
Supplementary Information 2	19
Supplementary Information 3	20

JAMES Y. LEE & CO.
Accountancy Corporation

2855 Michelle Drive, Suite 200, Irvine, CA 92606
Tel: 714.669.1400 Fax: 714.669.0040

To the Board of Directors & Shareholders of
JB Brothers, Inc.

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of JB Brothers, Inc., which comprise the balance sheet as of December 31, 2016, and the related statements of income, changes in shareholders' equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

2855 Michelle Drive, Suite 200, Irvine, CA 92606
Tel: 714.669.1400 Fax: 714.669.0040

INDEPENDENT AUDITORS' REPORT- continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JB Brothers, Inc. as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

James Y. Lee & Co., CPA's

April 3, 2017
James Y. Lee & Co.
Accountancy Corporation

JB BROTHERS, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2016

ASSETS

Current Assets				
Cash	$	20,411		
Inventory, net		14,826		
Franchise fee receivable		33,000		
Total Current Assets			$	68,237
Property and Equipments				
Equipment		19,702		
Sign		7,200		
Leasehold improvement		61,947		
Less: accumulated depreciation		(17,850)		
Total Property and Equipments				70,999
Other Assets				
Loan receivable		362,961		
Security deposit		10,463		
Total Other Assets				373,424
TOTAL ASSETS			$	512,660

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2016

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities				
Account payable	$	24,912		
Credit card payable		5,282		
Deferred revenue, current portion		28,975		
Income tax payable		2,073		
Other payable		17,500		
Payroll tax payable		5,136		
Sales tax payable		4,010		
Total Current Liabilities			$	87,887
Long-term Liabilities				
Deferred revenue, long-term portion		210,067		
Total Long-term Liabilities			$	210,067
Shareholders' Equity				
Common stock, $10 par value, 100,000 shares authorized; issued: 6,754		67,540		
Retained earnings		147,166		
Total Shareholders' Equity				214,706
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			$	512,660

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016

Sales (Supplementary Information 1)			
Sales, net		$	793,184
Cost of Sales (Supplementary Information 2)			(238,813)
Gross Profit			554,371
Operating Expenses (Supplementary Information 3)			(424,106)
Income before Income Taxes			130,264
Provision for Income Taxes			
Current tax expense	2,073		
Total Provision for Income Taxes			(2,073)
Net Income (Loss)		$	128,191

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

Common Stock		
Balance, Beginning of the year	$ 67,540	
Balance, End of the year		$ 67,540
Retained Earnings		
Balance, Beginning of the year	20,974	
Distribution	(2,000)	
Net Income (Loss)	128,191	
Balance, End of the year		147,166
TOTAL SHAREHOLDERS' EQUITY		$ 214,706

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash Flows from Operating Activities		
Net income	$	128,191
Adjustments to reconcile net income to net cash provided by operating activities:		
Operating activities:		
Account payable		24,912
Credit card payable		4,534
Deferred revenue		239,042
Franchise fee receivable		(362,961)
Income tax payable		1,722
Inventory		(6,333)
License fee receivable		(33,000)
Loan receivable		2,696
Other receivable		17,500
Payroll tax payable		2,578
Sales tax payable		1,169
Net cash provided by operating activities		20,050
Cash Flows from Investing Activities		
Equipment		(5,670)
Depreciation		10,917
Net cash used in investing activities		5,247
Cash Flows from Financing Activities		
Distribution		(2,000)
Net cash provided by financing activities		(2,000)
Net Increase (Decrease) in Cash		23,297
Cash and Cash Equivalents, Beginning of the year		(2,885)
Cash and Cash Equivalents, End of the year	$	20,411

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 –ORGANIZATION AND NATURE OF BUSINESS

JB Brothers, Inc. (the Company) was incorporated under the laws of the State of California on January 6, 2015. The Company is 50% owned by Seung Nam Park and 50% owned by Jeong Hi Ju. The Company has registered fictitious business name in the County of Los Angeles under the name of “Poke Bar” and begun operation under this name beginning April 1, 2015.

The Company is a limited service restaurant and the main item that they sell is poke. Poke is a raw fish salad in Hawaiian cuisine. Raw fishes such as tuna, salmon, albacore, shrimp, octopus, and scallop are mixed with seaweed, onions, kale and more to create a fresh, light, and delicious meal. Customers can customize what individual items can go into their bowl to fit their needs and wants.

During the year of 2016, the Company entered the franchise agreements and granted to use the Company’s trademark system. Fourteen locations were enrolled as franchisee as of December 31, 2016.

NOTE 2 – LIQUIDITY

The Company has a retained earnings of $ 147,166 and has a working capital deficit of $ 19,650 as of December 31, 2016.

The Company currently utilizes cash flows from operations, to fund the current and long term operations of the Company. The Company is undertaking various plans and measures to increase its working capital, and if necessary may raise additional capital through debt or equity financing.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts or the amount and classification of liabilities that would be necessary should the Company be unable to continue as a going concern.

NOTE 3 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - These financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles whereby revenues are recognized in the period earned and expenses when incurred.

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

Cash and Cash Equivalents - All highly liquid investments with original maturities of three months or less at the time of purchase are considered cash equivalents.

Financial Instruments and Credit Risk - Financial instruments that potentially subject the Company to credit risk include cash and cash equivalents. Cash is generally deposited in demand accounts in federally insured domestic institutions to minimize risk.

Revenue Recognition - Revenue from sales is recognized at the time of food purchase is made by customers. Each purchase is recorded through point-of-sale (POS) machines.

Inventory - The Company utilizes the cost method to determine the value of inventory on hand. All inventories are valued at the lower of cost or market.

Property and Equipment - Property and equipment are carried at cost. Depreciation is computed on a straight-line basis. Leasehold improvements are amortized over the lesser of the lease term or the estimated useful life of the improvements. Expenditures for renewals or betterments are capitalized, and repairs and maintenance are charged to expense as incurred. The cost and accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts, and any gain or loss thereon is reflected in operations. Estimated useful lives are as follows:

Machinery and equipment	5 years
Furniture and fixtures	7 years
Sign	7 years
Leasehold improvements	15 years

***Income Taxes* –** Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period and any adjustment to tax payable in respect of previous years.

NOTE 4 -PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2016:

	Cost	Accumulated Depreciation	Net
Leasehold improvements	$ 61,947	$ 10,853	$ 51,094
Equipment & fixtures	19,702	5,197	14,505
Sign	7,200	1,800	5,400
Total	$ 88,849	$ 17,850	$ 70,999

Depreciation expense was $ 10,917 during the year ended December 31, 2016.

NOTE 5 – INVENTORY

The Inventory as of December 31, 2016 are as follows:

Raw fish	$ 10,378
Others	4,448
Total	$ 14,826

NOTE 6 – CAPITAL STOCK

The Company is authorized to issue 100,000 common shares. During the year of 2016 the Company did not issue any additional shares. As of December 31, 2016, each of the 50% shareholders, Seung Nam Park and Jeong Hi Ju, own 3,377 shares for combined investment of $67,540.

NOTE 7 – OPEARATING LEASES

The Company conducts its operations under the following operating lease commitments:

Initial Term: 5 years
Commencement Date: April 1, 2015
Base Rent: $ 4,025 per month
Common Area Operating Expense: $623 per month

Years Ending	Amount (without consideration of CPI)
2017	$ 55,776
2018	55,776
2019	55,776
2020	13,944

NOTE 8 – INCOME TAXES PAYABLE

The Company has income taxes payable as of December 31, 2016 as follows:

Income Taxes Payable - CA	$ 2,073
Total	$ 2,073

NOTE 9 – DEFERRED REVENUE

In consideration of the grant of a franchise to use the Company's trademark system, franchisee shall pay to the Company $ 20,000 at the time of singing the franchise agreement and $ 15,000 at the time of singing the lease agreement with the landlord. The Company grants franchisee the right to sell prepared food products bearing the trademark "Poke Bar" and to generally operate a business in conformity with the company's trademarked system of food preparation and service. The franchise provides ten years from the date of establishment of franchisee's place of business. Revenue from franchise fees are recognized over ten years for each franchisees and it is prorated based on the date of establishment of each franchisees. Unrecognized franchise fees are recorded as deferred revenue.

Franchise fee receivable is $ 33,000 as of December 31, 2016.

As of December 31, 2016, the Company has deferred franchise fee income from each of the franchisees as follows:

Franchisee Location	Deferred Amount	
Berkeley	$	17,062
Cerritos		13,750
Downtown		9,250
District of Columbia		58,000
Gardena		27,750
Glendale		19,167
Hermosa		19,167
Mid-Wilshire		19,167
Monterey		17,354
Riverside		14,000
San Bernardino		24,375
Total	$	239,042

The Current portion of deferred revenue as of December 31, 2016 is $ 28,975.

NOTE 10 – ROYALTY INCOME

Royalty fees from franchisees are recognized as income on a monthly basis for each franchisees. Franchisees are required to pay the Company monthly royalty fees of 6% of total monthly gross sales. Gross sales mean all receipts of the franchised business, including all amounts received on a cash, charge or time basis, and including the value of all products or services received for products or services provided, without reserve or deduction for inability to collect, and including any proceeds from any business interruption or similar insurance applicable to any revenue loss of the franchised business, but excluding, excise, sales and use taxes.

Royalty income was $ 28,975 during the year ended December 31, 2016.

NOTE 11 – LOAN RECEIVABLE

The Company has loan receivable as of December 31, 2016 and details are as follows:

EN Poke Bar, Inc.	$	107,091
ES Poke Bar, Inc.		36,521
GA Poke Bar, Inc.		35,000
Houston Poke Bar, Inc.		28,809
Horn Food		60,000
Poke Bar, Inc.		16,083
WH Poke Bar, Inc.		43,424
WW Poke Bar, Inc.		8,527
Loan to officers		27,506
Total	$	362,961

NOTE 12 – STATEMENT OF CASH FLOW

For the purpose of the statement of cash flows, the Company considers cash in bank and on hand to be cash and cash equivalents.

NOTE 13 - SUBSEQUENT EVENTS

The Company has evaluated and disclosed subsequent events through April 3, 2017, the date the financial statements were available for issuance, and is not aware of any subsequent events that would have a material impact on the accompanying financial statements.

JAMES Y. LEE & CO.
Accountancy Corporation
2855 Michelle Drive, Suite 200, Irvine, CA 92606
Tel: 714.669.1400 Fax: 714.669.0040

To the Board of Directors & Shareholders of
JB Brothers, Inc.

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

We have audited the financial statements of JB Brothers, Inc. as of and for the year ended December 31, 2016, and our report thereon dated April 3, 2017, which expressed an unqualified opinion on those financial statements, appears on page 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information contained in the schedules of cost of sales and operating expenses for the year then ended December 31, 2016 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

James Y. Lee & Co., CPA's

James Y. Lee & Co.
Accountancy Corporation
Irvine, California
April 3, 2017

JB BROTHERS, INC.
SUPPLEMENTARY INFORMATION 1
SCHEDULE OF SALES
FOR THE YEAR ENDED DECEMBER 31, 2016

Sales

Retail	$ 665,513	
Wholesales	21,414	
Tip income	33,853	
Refunds	(29)	
Franchise fee	43,458	
Royalty	28,975	
Total Sales, Net		$ 793,184

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
SUPPLEMENTARY INFORMATION 2
SCHEDULE OF COST OF SALES
FOR THE YEAR ENDED DECEMBER 31, 2016

Cost of Sales

Beginning inventory	$ 8,493	
Purchase	245,146	
Ending inventory	(14,826)	
Total Cost of Sales		$ 238,813

See accompanying auditors' report and notes to the financial statements.

JB BROTHERS, INC.
SUPPLEMENTARY INFORMATION 3
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

Operating Expenses

Auto expense	$ 4,779	
Advertising and promotion	7,694	
Bank charges	523	
Business gift	5,094	
Depreciation	10,917	
Dues & subscriptions	188	
Insurance expense	2,698	
Meals & entertainment	15,817	
Merchant fee	19,467	
Office expense	2,964	
Outside services	3,303	
Penalty	7	
Parking	5,323	
Payroll taxes	16,308	
Postage and delivery	41	
Printing	2,372	
Professional fees	34,226	
Rent	57,869	
Repair & maintenance	3,531	
Salaries & wages	144,994	
Sales tax expenses	54,948	
Seminar	1,440	
Settlement fee	3,000	
Supplies	4,162	
Tax and licenses	1,386	
Telephone	2,816	
Travel	12,429	
Utilities	5,811	
Total Operating Expenses		$ 424,106

See accompanying auditors' report and notes to the financial statements.

JB Brother’s Inc. d/b/a Poke Bar

LIST OF TERMINATED FRANCHISEES

Exhibit F to the Disclosure Document

Exhibit F to Disclosure Document

LIST OF TERMINATED FRANCHISEES

There are no franchisees who have had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within ten (10) weeks of the application date.

JB Brother’s Inc. d/b/a Poke Bar

FRANCHISEE DISCLOSURE QUESTIONNAIRE

Exhibit G to the Disclosure Document

Exhibit G to Disclosure Document

FRANCHISEE DISCLOSURE QUESTIONAIRRE

As you know, JB BROTHERS, INC. and you are preparing to enter into a Franchise Agreement for the operation of a franchised restaurant. In this Franchise Disclosure Questionnaire, JB BROTHERS, INC. will be referred to as “we” or “us.” The purpose of this Questionnaire is to determine whether any statement or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed JB BROTHER’S, INC. Franchise Agreement and each exhibit, addendum and schedule attached to it?

Yes_____ No _____

2. Did you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

Yes_____ No _____

If “No,” what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

____
____
____
____
____
____

3. Have you received and personally reviewed our Disclosure document we provided to you?

Yes_____ No _____

4. Do you understand all of the information contained in this Disclosure Document?

Yes_____ No _____

If “No,” what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

____
____
____
____
____
____

5. Have you discussed the benefits and risks of operating the franchised restaurant with an attorney, accountant or other professional advisor and do you understand those risks?

Yes_____ No _____

6. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competitions from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes_____ No _____

7. Has any employee or other person speaking on our behalf made any statement or promises concerning the revenues, profits or operating costs of the franchised restaurant that we or our franchisees operate?

Yes_____ No _____

8. Has any employee or other person speaking on our behalf made any statement or promise concerning a franchised restaurant that is contrary to, or different from, the information contained in the Disclosure Document?

Yes_____ No _____

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a franchised restaurant?

Yes_____ No _____

10. Has any employee of other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes_____ No _____

11. If you have answered “Yes” to any of the questions 7 through 10, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered “No” to each of these questions, please leave the following lines blank.

____

12. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

Yes_____ No _____

You understand that you answers are important to us and that we will rely on them.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responding truthfully to the above questions.

____
Name of Franchisee/Applicant

Date:____________________, 20____

____
Signature

____
Name and Title of Person Signing

JB Brother's Inc. d/b/a Poke Bar

CA ADDENDUM

Exhibit H to the Disclosure Document

Exhibit H to Disclosure Document

ADDENDUM TO THE JB BROTHERS'S INC

UNIFORM FRANCHISE DISCLOSURE DOCUMENT

For the State of California.

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 Corporations Code require us to give you a Disclosure Document in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

You must sign a general release if you renew or transfer your franchise. Section 31512 of the Franchise Investment Law (FIL) and 20010 of the California Franchise Relations Act (CFRA) provide that any condition, stipulation or provision purporting to bind you to waive compliance with any provision of these laws is void. Therefore, any release of claims that you must sign as a condition of renewal or transfer may not apply to claims arising under the FIL or the CFRA.

Neither the franchisor or any person in Item 2 of the franchise disclosure document (FDD) 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 USC §§78a-78pp), suspending or expelling such persons from membership in that association or exchange.

3. ITEM 17 of the Disclosure Document is amended to add the following:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 USCA §101 et seq.).

The 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.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The following URL addresses are for the franchisor's websites:

www.ilovepokebar.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT WWW.CORP.CA.GOV.

Receipt

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If JB BROTHERS, INC. offers you a franchise, JB BROTHERS, INC. must provide this Disclosure Document to you fourteen (14) calendar-days before you sign a binding agreement with, or make payment to, the franchisor or an affiliate in connection with the proposed franchise sale unless otherwise stated in your state's addendum.

If JB BROTHERS, INC. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A.

The following are the names, principal business address, and telephone number of each franchise seller offering the franchise:

Yoon Ho Ju, 8539 West Sunset Boulevard #5 West Hollywood, California 90069, 310-657-4294

The effective date of this Disclosure Document is ________________, or the effective date in your state, whichever is later.

I have received a Uniform Franchise Disclosure Document including the following exhibits on the date listed below:

A. LIST OF STATE ADMINISTRATORS
B.

LIST OF STATE AGENTS FOR SERVICE OF PROCESS
C. FRANCHISE AGREEMENT
D. AREA DEVELOPER AGREEMENT
E. TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL
F. FINANCIAL STATEMENTS
G. LIST OF FRANCHISEES
H. LIST OF TERMINATED FRANCHISEES
I. FRANCHISEE DISCLOSURE QUESTIONNAIRE
J. MULTI-STATE ADDENDA

Please sign and print your name below, date and return one copy of this receipt to JB BROTHERS, INC. and keep the other for your records.

____
Date of Receipt

____
Print Name

____
Signature

Return to: Poke Bar 8539 West Sunset Boulevard #5 West Hollywood, California 90069

Receipt

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If JB BROTHERS, INC. offers you a franchise, JB BROTHERS, INC. must provide this Disclosure Document to you fourteen (14) calendar-days before you sign a binding agreement with, or make payment to, the franchisor or an affiliate in connection with the proposed franchise sale unless otherwise stated in your state's addendum.

If JB BROTHERS, INC. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A.

The following are the names, principal business address, and telephone number of each franchise seller offering the franchise:

Yoon Ho Ju, 8539 West Sunset Boulevard #5 West Hollywood, California 90069, 310-657-4294

The effective date of this Disclosure Document is ________________, or the effective date in your state, whichever is later.

I have received a Uniform Franchise Disclosure Document including the following exhibits on the date listed below:

A. LIST OF STATE ADMINISTRATORS
B.

LIST OF STATE AGENTS FOR SERVICE OF PROCESS
C. FRANCHISE AGREEMENT
D. AREA DEVELOPER AGREEMENT
E. TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL
F. FINANCIAL STATEMENTS
G. LIST OF FRANCHISEES
H. LIST OF TERMINATED FRANCHISEES
I. FRANCHISEE DISCLOSURE QUESTIONNAIRE
J. MULTI-STATE ADDENDA

Please sign and print your name below, date and return one copy of this receipt to JB BROTHERS, INC. and keep the other for your records.

____
Date of Receipt

____
Print Name

____
Signature

Return to: Poke Bar 8539 West Sunset Boulevard #5 West Hollywood, California 90069