

Clean Franchise Disclosure Document

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FRANCHISE DISCLOSURE DOCUMENT

Department of Business Oversight
Los Angeles Office



TOBMAR INVESTMENTS INTERNATIONAL
A Nevada Corporation
240 Chrislea Road
Woodbridge, Ontario, Canada L4L 8V1
905/851-9652
www.gatewaynewstands.com
info@gatewaynewstands.com

Tobmar Investments International, Inc. offers franchises for retail outlets featuring candies, cards, gifts, tobacco, reading materials and other sundry items in a premier commercial or office development.

The total initial investment necessary to begin operation of a Gateway Newstands ranges from \$55,875 to \$501,750. This includes from \$40,000 to \$400,000 that must be paid to the franchisor or its affiliates.

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

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission ("FTC"). 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 about franchising in your state. Ask your state agencies about them.

Issuance date _____, 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 THIS DISCLOSURE DOCUMENT**

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

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

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

- 1 THE FRANCHISE AGREEMENT STATES THAT THE LAW OF THE STATE WHERE THE NEWSTAND IS LOCATED GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- 2 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

Effective Date See the next page for state effective dates

TOBMAR INVESTMENTS INTERNATIONAL INC
STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

California	_____	, 2017
Illinois	_____	, 2017
Maryland	_____	, 2017
Michigan	_____	, 2017
New York	_____	, 2017
Washington	_____	, 2017

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Exhibit A	List of State Agencies
Exhibit B	Franchise Agreement
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Exhibit F	Financial Statements
Exhibit G	List of Franchisees
Exhibit H	List of Franchisees Who Have Left the System
Exhibit I	State Addenda and Agreement Riders (including sample general release)

APPLICABLE STATE LAW REQUIRES ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT I

ITEM 1

THE FRANCHISOR AND ITS PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document "Tobmar" or "we" means Tobmar Investments International Inc , the franchisor "You" means the person who buys the franchise Tobmar allows a corporation or partnership to operate the franchise However, all owners are obligated to guarantee and be bound by the obligations of the franchisee under the Franchise Agreement

Corporate Information

Tobmar is a Nevada corporation that was incorporated on December 20, 1989 Tobmar does business under its corporate name and as Gateway Newstands Tobmar's principal business address is 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1 and its phone number is (905) 851-9652 If Tobmar has an agent for service of process in your state, that agent is disclosed in Exhibit A

Business History

We began offering franchises for Gateway Newstands in 1991 We have never offered franchises in any other line of business We are not engaged in any business other than offering Gateway Newstands franchises We have not directly operated a Gateway Newstands although we may do so in the future

Parents, Affiliates and Predecessors

We do not have any predecessors Our parent companies are (i) Tobmar Holding USA, Inc , which has a principal business address located at 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, and (ii) Modjule LLC, which has a principal business address located at 1455 West Fargo, Suite 2, Chicago, Illinois 60626

Our affiliates include Tobmar International Inc ("Tobmar International"), Tobmar Investments, Inc ("Tobmar Investments") and Tobmar Newstands Inc ("Tobmar Newstands") The principal business address of each affiliate is 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1

Tobmar International is in the business of leasing retail space for Gateway Newstands locations Tobmar International's principal business address is 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1 Tobmar International leases locations that are sub-let to franchisees Tobmar International has never operated a Gateway Newstands and has never offered franchises in this or any other line of business

From 1983 through the present, Tobmar Investments has both operated and offered franchises for Gateway Newstands in Canada Tobmar Investments has never offered franchises in any other line of business

From 1993 through the present, Tobmar Newstands has offered franchises for Gateway Newstands in Ontario, Canada. Tobmar Newstands has never offered franchises in any other line of business. Tobmar Newstands has never operated a Gateway Newstands.

Description of Franchised Business

Tobmar franchises retail outlets in premier commercial and office developments and transit locations which feature candy, cards, gifts, tobacco, reading materials and other sundry items. These retail outlets or locations are operated under the name Gateway Newstands or variations of this name and may consist of a store retail space or a prefabricated unit (e.g., kiosk) depending upon the location. This is the business you will operate.

The products offered at Gateway Newstands are formulated to cater to the everyday needs and impulse sales of consumers. Tobmar estimates that 85% to 95% of the volume of each Gateway Newstands located in office buildings will be derived from the tenants of the building in which it is located.

Market and Competition

Your Gateway Newstands will have to compete with other snack/news stores within the vicinity of the building or commercial development. You should recognize that the news/snack specialty retail segment of the economy is highly competitive. An investment in a Gateway Newstands, like any other business, involves business risks and the success of the venture is largely dependent on your business abilities and efforts. You should also recognize that Gateway Newstands may be located in new buildings or developments which may not be fully leased at the time the Franchise Agreement is signed. This may affect the volume of traffic frequenting the business.

Laws and Regulations

There are no regulations specific to the industry in which you will operate. If you offer lottery tickets at your Gateway Newstands, you must comply with state and local laws regulating lotteries. There are laws that apply generally to all businesses and we encourage you to make further inquiries about these laws.

ITEM 2

BUSINESS EXPERIENCE

President and Director Noah Aychental

Mr. Aychental has been the President and a Director of all Tobmar entities since January of 2016. From 1994 to January 2016, Mr. Aychental served as Vice President of all Tobmar entities in Woodbridge, Ontario, Canada.

Secretary and Director Gordon C C Liao

Mr Liao has been the Secretary and Director since January of 2016 From April of 2014 to the present, Mr Liao has been a Co-Founder and Partner of Modjule, LLC in Chicago, Illinois

Steven Tennant – Chief Operation Officer

Mr Tennant has been the Chief Operation Officer since May of 2016 From February of 2012 to April of 2016, Mr Tennant was Vice President and General Manager for Hasty Market Corporation in Oakville, Ontario, Canada From November of 2008 to January of 2012, Mr Tennant was Vice President of Canadian Convenience Stores Association in Oakville, Ontario, Canada

Director Ty Clutterbuck

Mr Clutterbuck has been a Director since January of 2016 From August of 2010 to the present, Mr Clutterbuck has been a Partner of Peninsula Capital Partners, LLC in Detroit, Michigan

Consultant Michael Aychental

Mr Aychental has been a Consultant since January of 2016 From December of 1989 to January of 2016, Mr Aychental served as our Secretary, Treasurer and a Director From July 1989 to the present, he has been Chief Executive Officer of Tobmar Investments

Consultant Terry Samuels

Mr Samuels has been a Consultant since January of 2016 From February 1990 to January of 2016, Mr Samuels served as our Vice President From January 1994 to January of 2016, Mr Samuels also served as Vice President, Franchise/Real Estate of Tobmar From September 1988 to the present, he has been President of Tersam Management, a retail leasing consultant, in Richmond Hill, Ontario, Canada

Director of Real Estate and Franchise Sales Nancy Chamberlain

Ms Chamberlain has been the Director of Real Estate and Franchise Sales since January of 2017 From September 2015 to the present, Ms Chamberlain has been a Broker for Royal LePage in Toronto, Ontario, Canada From September 2002 to September 2015, Ms Chamberlain was a Broker for Goudy Real Estate Group in Markham, Ontario, Canada

District Manager Ken Pollina

Mr Pollina has been a District Manager since January 2008 From October 2011 to the present, Mr Pollina has been a District Manager for Ken Pollina KRP Consulting in Chicago, Illinois From October 2008 to October 2011, Mr Pollina was a District Manager for Ken Pollina Independent in Chicago, Illinois

Regional Manager, N Y Christopher Radjpaul

Mr Radjpaul has been a Regional Manager, New York since December 2014 From May 2007 to December 2014, Mr Radjpaul was an Auditor for OTG in New York, New York

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay to Tobmar an initial franchise fee ranging from \$15,000 to \$150,000 The amount of the fee will depend on the size of the building, the density of tenants, the tenant occupancy dates, the percentage of the building which is leased and variables in the use clause of your lease or sublease which will affect the profitability of your Gateway Newstands or in the case of a transit location, the proximity to traffic and traffic flow Tobmar estimates the following initial franchise fees for the following approximate office building and commercial development sizes

500,000 square feet	\$15,000 - \$40,000
750,000 – 1,000,000 square feet	\$35,000 - \$60,000
excess of 1,000,000 square feet	\$60,000 - \$150,000

You must pay \$10,000 of the total initial franchise fee at the time you sign the Franchise Agreement You must pay the balance of the initial franchise fee upon the substantial completion of your Gateway Newstands

During Tobmar's fiscal year ending December 31, 2016, franchisees paid initial franchise fees ranging from \$5,000 00 to \$25,000 00

Tobmar may, under certain circumstances, defer the payment of or finance up to 50% of the initial franchise fee See Item 10

Tobmar may terminate the Franchise Agreement if, for any reason, it is unable to secure a lease for the premises mutually agreed upon for the development of your Gateway Newstands or obtain the written consent of any landlord whose consent may be required for the subletting of

the premises to a franchisee. If Tobmar terminates for these reasons, it will refund any portion of the initial franchise fee paid by a franchisee, without interest. There are no refunds under any other circumstances.

Site Construction and Development Costs

In most instances, Tobmar will assume responsibility for the construction and development of the Gateway Newstands. This will happen unless Tobmar determines in its sole discretion that you have the ability and experience to construct the premises. Schedule B to the Franchise Agreement will explain your obligations to Tobmar for its construction and development of the site including payments due Tobmar. Of the total amount due, you must pay to Tobmar (i) 25% upon completion of the plans for the Gateway Newstands, (ii) 25% upon receipt of permits and the 50% completion of the development of your Gateway Newstands, and (iii) the remaining 50% balance upon substantial completion of your Gateway Newstands. The actual amount payable to Tobmar may vary widely depending upon the location. Tobmar did not receive any revenue for construction and development of a site for a Gateway Newstands during Tobmar's fiscal year ended December 31, 2016. However, your cost for construction and development of a site for a Gateway Newstands could be higher or lower than the actual amounts for our prior fiscal year. As reflected in Item 7, we anticipate that the range for these costs could vary between \$25,000 and \$250,000. None of these payments is refundable. You may also be required to provide the general contractor or the landlord with a deposit.

If you develop a site, Tobmar may inspect the premises during the development and construction phase. You must pay Tobmar upon demand its costs related to furnishing plans and specifications and review and supervision of construction and development of the premises.

ITEM 6

OTHER FEES

Column 1 Type of Fee¹	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Monthly Franchise Fee	Generally 3.5%-5% of Gross Sales ³ and 10% of Commissions ³ (See Note 2)	Payable on or before the 10 th day of each calendar month	May vary depending upon the size of building, density of tenants, the tenant occupancy dates, percentage of building leased and variables in the use clause in lease
Transfer Fee	5% of purchase price	Before consummation of transfer	Payable when you sell your franchise

Column 1 Type of Fee¹	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Audit and Inspection	Cost of Audit and Inspection	Upon billing	Payable if audit or inspection shows an understatement of more than 2% of Gross Sales for any period or if you fail to submit reports on time
Interest	Lesser of 18% per year or the highest legal rate permitted by law	After due date for any payments	Payable if you fail to pay Tobmar or its affiliates on a timely basis
Indemnification	Will vary under circumstances	As incurred	You must indemnify Tobmar for any liability, loss, damages, cost or expenses as a result of any act or omission by you arising out of the operation of your business
Renewal	Tobmar's legal and related expenses incurred if the franchise is renewed	At the time of renewal	You must reimburse Tobmar for these expenses at the time of renewal
Costs and attorney's fees	Will vary under circumstances	As incurred	Payable in the event Tobmar takes action to enforce the Franchise Agreement

- (1) All fees are imposed by Tobmar and are payable to Tobmar All fees are non-refundable
- (2) The monthly franchise fee will be stated in Schedule A to your Franchise Agreement before you sign it Typically, your monthly franchise fee is 3 5% of Gross Sales and 10% of Commissions However, if the use clause in the lease for your Gateway Newstands allows the sale of coffee, other hot beverages, or fresh food items, your monthly franchise fee may be up to 5% of Gross Sales and 10% of Commissions
- (3) "Gross Sales" means the entire amount of the actual sales price, whether for cash, credit or otherwise, of all sales of goods and services of your Gateway Newstands and all other receipts from all business conducted upon or originating from the premises, including business interruption insurance, but exclusive of Commissions Gross Sales does not include sale or other similar direct taxes or refund or credits paid to customers "Commissions" means all commissions, rebates, or other payment you receive as a result of any sales by a vendor or other third party to a customer of your Gateway Newstand For example, Commissions shall include commissions earned on lottery sales, payments

received for selling winning lottery tickets, sales of event tickets, money wire services, check cashing services, etc

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Initial franchise fee (Note 1)	\$15,000 to \$150,000	Lump Sum	\$10,000 upon the execution of the Franchise Agreement and the balance upon substantial completion of your Gateway Newstands	Tobmar
Lease or Sublease of Real Property or Concession Rights (Note 2)	\$500 to \$10,000 per month	Lump Sum	First of every month	Tobmar or an affiliate (for payment to Landlord) or Landlord directly
Equipment, fixtures other fixed assets, construction, remodeling, leasehold improvements, and decoration costs (Note 3)	\$25 000 to \$250,000	Lump sum	\$25% on completion of plans 25% upon issuance of permits and the 50% completion of construction Balance on substantial completion of construction	Tobmar (for payment to contractors) or contractors
Inventory required to commence operations	\$10,000 to \$40,000	Lump Sum	Upon delivery prior to opening	Suppliers
Security deposits-Rental Deposits of two months in advance and other prepaid expenses (including insurance premiums) required to commence operations	\$2,000 to \$30,000	Lump Sum	Upon Execution of Franchise Agreement	Tobmar or an affiliate for payment to Landlord and other vendors

Column 1	Column 2	Column 3	Column 4	Column 5
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Additional Funds-3 months (Note 4)	\$3,375 to \$21 750	As incurred	As incurred	Employees and other vendors
Total (Note 5) \$55,875 to \$501,750				

Notes

- (1) See Item 5 for conditions under which the initial franchise fee is paid and when refundable See Item 10 for financing offered by Tobmar
- (2) Tobmar or an affiliate will ordinarily lease the premises and sublet to you
- (3) Tobmar will ordinarily construct and develop your Gateway Newstands If, however, Tobmar determines that you have the ability and experience to construct and develop the Gateway Newstands, Tobmar will permit you to do so The cost of such construction and development may vary substantially depending upon such factors as the location of the premises, the size of the Gateway Newstands and the construction and development services which you procure This estimate would apply to both a store location and a prefabricated unit such as a kiosk
- (4) This estimates your initial start up expenses The figures are estimates and Tobmar cannot guarantee you will not have additional expenses starting the business Your costs may vary depending upon local conditions
- (5) Tobmar relied on the experience it and its affiliates have in this business since 1983 to compile these estimates You should review these figures carefully with a business advisor before making any decision to purchase the franchise

ITEM 8

RESTRICTIONS AND SOURCES OF PRODUCTS AND SERVICES

Tobmar or an affiliate will ordinarily lease a mutually acceptable location for the premises of your Gateway Newstands and sublease the premises to you If you sublease the premises from Tobmar or its affiliate, you must pay Tobmar, its affiliate or the landlord directly (if permitted by Tobmar or its affiliate) the rent and other charges due under the lease as well as any security deposits

If Tobmar, in its discretion, determines that you have the ability and experience to construct and develop the premises, you will be permitted to do so provided you follow Tobmar's standards and specifications in developing and constructing the premises and any requirement imposed under the lease. If Tobmar determines that you do not have the ability and experience to construct and develop the premises, Tobmar will make the improvements and develop the premises at your expense based on terms included in Schedule B to the Franchise Agreement. The amount you must pay will depend on Tobmar's estimates of the total costs and expenses of construction and development. Tobmar or one of its affiliates may derive a profit from construction or development of the premises if the actual costs are less than the estimated costs.

You must maintain minimum quantities and types of inventory Tobmar requires. Tobmar will provide you a list of approved suppliers of goods you will sell from your Gateway Newstand. This list serves only to help you locate suppliers that sell the types of goods you will sell from your Gateway Newstand. You are not required to purchase goods from these approved suppliers. Except in the merchandising program described below, you may use suppliers of your choice. Tobmar bases approval of suppliers on the supplier's credit or business, the ability of the supplier to supply the brands and quantities of goods within the market and the supplier's ability to supply goods of the quality Tobmar requires. Neither Tobmar nor its affiliates currently supply any inventory to franchisees. Tobmar does not issue standards and specifications for products to be sold from your Gateway Newstand. Except in the merchandising program described below, Tobmar does not specify the products that you must offer, although you must offer products that are appropriate for a Gateway Newstand.

You must maintain at your expense insurance in the amounts and of the types Tobmar requires. Tobmar may designate one insurer from whom you must purchase this insurance. Currently, you must purchase this insurance from the insurance company Tobmar specifies. Tobmar selected this insurer based upon its credit rating and its ability to provide the type of insurance Tobmar requires.

You must purchase and use in the operation of your Gateway Newstands cash registers and related equipment of such makes and models as Tobmar specifies. These are purchased from or through third party vendors.

During its last fiscal year ending December 31, 2016, Tobmar did not receive any revenue from franchisees in construction advances for development of their Gateway Newstands. However, since Tobmar forwards these amounts to suppliers of construction services, Tobmar does not characterize these amounts as "revenue" in its financial statements. Therefore, Tobmar received no revenue during its last fiscal year from selling products or services to franchisees. During its last fiscal year, Tobmar International received \$203,601.46 from franchisees in rental payments. However, since Tobmar International paid these amounts to the prime landlords of the franchisees' premises, it did not characterize these amounts as "revenue" in its financial statements. These figures were derived from internal accounting records maintained by these companies. Also, these figures do not include rentals where franchisees have direct arrangements with the landlord.

All of the items you offer or sell from your Gateway Newstands must be of a type appropriate for a Gateway Newstand (e.g., candy, snack foods, periodicals). However, Tobmar

does not issue specifications or standards for particular products. All items you purchase in the operation of your Gateway Newstands must be consistent with the restrictions contained in the Franchise Agreement and lease for the premises. To that extent, all of your purchases in operating your business are regulated by Tobmar (i.e., virtually 100% of the items purchased to establish and operate the business are subject to specification or are purchased from approved suppliers), although you do have discretion in the brands of certain items you can carry and may be allowed to carry other items so long as they are consistent with the lease and not inconsistent with the image of a Gateway Newstands.

No officer of the franchisor owns an interest in any approved supplier.

Other than under the merchandising program described below, Tobmar is not required to contribute its own funds or pass on to franchisees any volume rebates, discounts or allowances or other concessions received from suppliers which sell products to franchisees. There are no purchasing or distribution cooperatives. Under the merchandising program (Franchise Agreement, Section 6.13), you give Tobmar the authority to negotiate and establish contracts with suppliers and/or manufacturers who wish to promote their products in Gateway Newstands. You also agree to sell and to make store space available for the products of the manufacturer(s) with whom Tobmar signs agreements. You must participate in this program by allowing Tobmar to pick the distributor with whom you deal and allowing Tobmar to direct the display of products in your Gateway Newstand. If Tobmar gives a company an exclusive agreement, you must purchase products from that company. Tobmar will keep 10% of all revenue collected from these suppliers and manufacturers to cover administrative expenses. The remaining 90% of these revenues is divided between Tobmar (45%) and the franchisees (45%). The share of any individual franchisee will be determined by the following formula:

$$\frac{\text{Individual franchisee's sales of that supplier's goods}}{\text{total of all franchisees' sales of that supplier's goods}} \times 45\% \text{ of revenue from that supplier}$$

During its fiscal year ended December 31, 2016, Tobmar received \$16,016.24 from suppliers under the merchandising agreement program. Tobmar intends to distribute a portion of this amount to its franchisees during the 2017 fiscal year.

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.

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
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<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
a Site Selection and acquisition/lease	Section 2 1 of Franchise Agreement	Item 6, 7 and 11
b Pre-opening purchases/leases	Section 4 1 and 6 6 of Franchise Agreement	Item 8
c Site development and other pre-opening requirements	Section 4 1 and 4 2 of Franchise Agreement	Item 6, 7 and 11
d Initial and ongoing training	Section 5 1 and 6 7 of Franchise Agreement	Item 11
e Opening	Sections 4 1 and 4 2 of Franchise Agreement	Item 11
f Fees	Article 3 and Schedule A of Franchise Agreement	Item 5 and 6
g Compliance with standards and policies/operating manual	Section 6 1 of Franchise Agreement	Item 11
h Trademarks and proprietary information	Article 7 of Franchise Agreement	Item 13 and 14
i Restrictions on products/services offered	Section 6 5 of Franchise Agreement	Item 16
j Warranty and customer service requirements	Section 6 7 of Franchise Agreement	Item 11
k Territorial development and sales quotas	Not Applicable	Not Applicable
l Ongoing product/service purchases	Section 6 6 of Franchise Agreement	Item 8
m Maintenance, appearance and remodeling requirements	Section 6 4 of Franchise Agreement	Item 11
n Insurance	Section 6 10 of Franchise Agreement	Item 8
o Advertising	Section 6 8 of Franchise Agreement	Item 11
p Indemnification	Section 11 3 of Franchise Agreement	Item 6

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
q Owner's participation/management/staffing	Section 6 2 and 6 7 of Franchise Agreement	Item 11 and 15
r Records and reports	Section 6 11 of Franchise Agreement	Item 6
s Inspections and audits	6 12 of Franchise Agreement	Item 6 and 11
t Transfer	Article 8 of Franchise Agreement	Item 17
u Renewal	Section 1 2 of Franchise Agreement	Item 17
v Post-termination obligations	Section 9 2 of Franchise Agreement	Item 17
w Non-competition covenants	Article 10 of Franchise Agreement	Item 17
x Dispute resolution	Not Applicable	Not Applicable

ITEM 10

FINANCING

Tobmar normally does not offer financing to franchisees. Tobmar may, however, under certain circumstances defer the payment of, or finance, up to 50% of the initial franchise fee. The terms of any financing will be negotiated by the parties and Tobmar is unable to specify what these will be at this time. Tobmar would expect the term to be 1 to 5 years at commercial rates existing at the time. Usually, the financed portion of the initial franchise fee is paid in equal monthly installments, although on occasion we may allow for a single balloon payment. The terms of financing are reflected in Schedule A to the Franchise Agreement. No separate note or financing document is signed. You have the right to prepay without penalty. Payment is subject to the terms of the Franchise Agreement governing payments to Tobmar, including termination of the Franchise Agreement for an uncured financial default and acceleration of all financed amounts that remain outstanding. The Franchise Agreement provides that you may not, on grounds of Tobmar's non-performance, withhold payments due Tobmar under the Franchise Agreement.

As previously noted, Tobmar or an affiliate will ordinarily lease the premises of the Gateway Newstands and sublet the premises to the franchisee. Exhibit C is the current form of sublease agreement. The term of the sublease will be co-extensive with the term of the prime lease less 1 day (Section 3, Sublease Agreement). The rent charged will be the same as the rent charged under the prime lease (Section 4, Sublease Agreement). Rent is due at least 5 days in advance of the date rent is due under the prime lease (Section 4C, Sublease Agreement). All overdue payments bear interest until paid at the lesser of 18% per year or the highest legal rate allowed by law. You must pay a security deposit to Tobmar or its affiliate in an amount equal to

the security deposit due under the prime lease (Section 5, Sublease Agreement) The security deposit can be used to offset amounts due under the Sublease Agreement If there is a default and termination of the Sublease Agreement, you must surrender the premises (Section 3C, Sublease Agreement) Tobmar and its affiliates also have all rights and remedies of the landlord under the prime lease (Section 3G, Sublease Agreement) Tobmar or its affiliates are entitled to recover all costs and expenses, including reasonable attorneys' fees, if it or they commence legal action against you to enforce the Sublease Agreement (Section 11, Sublease Agreement) Under the Sublease Agreement, you are prohibited from raising counterclaims or similar allegations as a defense to enforcement of the Sublease Agreement (Section 11, Sublease Agreement) You must pursue these in a separate action If you are a corporation or if the Sublease Agreement is assigned to a corporation, the owners must guarantee performance of the Sublease Agreement

Tobmar does not have any practice or intention to sell, assign or discount to any third party, in whole or in part, any note, contract or other instrument a franchisee executes Neither Tobmar nor any of its affiliates receive payments from any person for the placement of financing with a lender

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING

Except as listed below, Tobmar is not required to provide you with any assistance

Before you open your business, Tobmar will

1 Locate a site for the franchised business and lease (or cause its affiliate to lease) the premises for sublet to you (Sublease Agreement, Franchise Agreement, Section 2 1) This will ordinarily occur because Tobmar has or plans to develop long term relationships with the owners/developers of large commercial retail developments

2 Develop or assist in development of the premises as a Gateway Newstands (Franchise Agreement, Section 4 2 and Schedule B)

3 At the time you open for business, provide on-site training of up to 1 week in duration in the operation of a Gateway Newstand The amount of time spent will depend upon your experience and qualifications Approximately 80% of new franchisees are provided with some on-site training There is no formal training program or training staff On-site training, if necessary, will be conducted by a representative of Tobmar or a consultant selected by Tobmar No other training is provided or required We do not charge any fees or require that you reimburse us for our costs of providing the on-site training (Franchise Agreement, Section 5 1)

During the operation of the franchised business, Tobmar will

1 Furnish you with continuing advice and guidance as is necessary in the areas of purchasing, selection, stocking and display of inventory, hiring and training of employees, formulation and implementation of advertising and establishing and maintaining administrative,

bookkeeping, accounting, inventory control and general operating procedures (Franchise Agreement, Section 5 2)

2 Periodically, establish specifications, standards and operating procedures and communicate these to you through written memoranda, operating bulletins or other similar materials (Franchise Agreement, Section 6 1)

3 Indemnify you against and reimburse you for all damages arising out of your use of Tobmar's marks in accordance with the term of the Franchise Agreement (Franchise Agreement, Section 7 3)

Advertising

Tobmar does not administer any advertising programs or collect monies from you for advertising You can conduct your own advertising if it does not violate Tobmar's restrictions on use of the marks or otherwise violate the Franchise Agreement There are no local or regional advertising cooperatives

Computer Systems

Tobmar recommends that you install a Sharp A330 cash register in your Gateway Newstands, although it would permit any equivalent equipment Tobmar has not investigated equivalent equipment This cash register is not proprietary to Tobmar and can be purchased from third party vendors Tobmar estimates the cost of a Sharp A330 cash register to be approximately \$1,000 The cash register is used to record sales made at the Gateway Newstands Tobmar does not have independent access to data recorded in this cash register Tobmar is not aware of any optional or required maintenance, updating, upgrading or support contracts associated with the cash register Neither Tobmar (or any of its affiliate) nor any third party is required to provide ongoing maintenance, repairs, upgrades or updates to the cash register ((Franchise Agreement, Section 6 11)

Tobmar does not require that you use any computer hardware or software in the franchised business, although it may do so under the Franchise Agreement (Franchise Agreement, Section 6 11) There are no contractual limitations on Tobmar's right to require that you upgrade or update any required computer system or cash register during the term of your franchise

Operating Manual

Tobmar does not have or provide franchisees with an operating manual

Site Selection

The franchise is granted for a specific location Tobmar generally identifies the location and the franchisee approves the location prior to the signing of the Franchise Agreement Gateway Newstands are generally located in office buildings and similar developments or in transit locations In selecting the location, Tobmar considers general location and neighborhood, size, layout and other physical characteristics of the premises, rental, lease duration and other

lease terms and conditions, and the number of potential tenants in the development, the tenant mix and the proximity and concentration of other similar businesses and traffic flow and location of traffic

Opening

Typically, you will commence business operations approximately 8 to 14 weeks after signing the Franchise Agreement or the first payment of consideration for the franchise. Factors affecting the length of time include construction plans, landlord's approval of the construction plans, base building preparation by the landlord, millwork and store buildout and merchandising. In the case of a new project, the waiting period before possession for leasehold construction can take up to 6 months in some cases.

ITEM 12

TERRITORY

The franchise is for a specific location that, typically, we have located for you. (See Item 11.) Aside from the specific location of your Gateway Newstand, you will not receive a minimum territory. There is no provision in the Franchise Agreement for relocation of the Gateway Newstand. You may not relocate the Gateway Newstands without our approval. Whether or not we would allow relocation depends on the circumstances at the time and what is in the Gateway Newstand's best interest and what is in the franchise system's best interest.

You have no options or rights of first refusal to purchase additional Gateway Newstands franchises.

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

There are no restrictions on our ability to solicit or accept orders from customers from any location. We reserve the right to sell competitive or identical products (including under the Gateway Newstands mark or any other trademark) through alternative channels of distribution, such as over the Internet or through telemarketing or other direct marketing. We are not required to pay you any compensation for these sales.

You may only sell to customers who are "on-site" at your Gateway Newstand. You may not use alternative channels of distribution to make off-site sales.

Neither we, nor any affiliate, operates, franchises, or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will sell. However, we reserve the right to do so in the future.

ITEM 13

TRADEMARKS

Tobmar has the right by agreement with Tobmar Investments, Tobmar's affiliate and owner of the principal mark, "Gateway Newstands", (the "Mark") to use the Mark Gateway Newstands was registered on the Principal Register with the United States Patent and Trademark Office on December 29, 1992, Registration Number 1,743,814 All required affidavits have been filed This registration has been renewed

There are no presently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the Trademark Administrator of a state or province, or any court There are no pending infringement, opposition or cancellation proceedings, or any pending material litigation involving the Mark

Except for the agreement between Tobmar and Tobmar Investments Inc , there are no agreements currently in effect which significantly limit the rights of Tobmar to use or license the use of the Mark

There are no infringing uses or superior prior rights actually known to Tobmar which could materially affect your use of the Mark in the state in which the franchise business is to be located

You must use the Mark in full compliance with rules Tobmar reasonably prescribes You may not use the Mark as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you), nor may you use the Mark in connection with the sale of any unauthorized inventory or service or in any other manner not explicitly authorized in writing by Tobmar Any unauthorized use of the Mark will constitute an infringement of the rights of Tobmar

You must notify immediately Tobmar of any infringement of or challenge to your or Tobmar's use of the Mark or claim by any person of any rights in the Mark You may not communicate with any person other than Tobmar and its counsel about any such infringement, challenge or claim Tobmar may determine what action, if any, shall be taken under the circumstances and to determine the manner in which any litigation, Patent and Trademark Office proceeding or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to the Mark will be controlled or handled You must execute any and all instruments and documents, render such assistance and do such acts and things as may be necessary or advisable in any such litigation, Patent and Trademark Office proceeding or other proceeding or to otherwise protect and maintain the Mark

Tobmar will indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of the Mark in compliance with the Franchise Agreement and for all costs you reasonably incur in the defense of any such claim brought against you or in any such proceeding in which you are named as a party If it becomes advisable at any time in Tobmar's sole discretion for you to modify or discontinue use of the Mark and/or use one or more additional or substitute Marks, you must do so and Tobmar's sole

obligation in any such event will be to reimburse you for your reasonable costs of modifying your signage at the premises

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents, pending patent applications or copyrights are material to the franchise Tobmar does, however, claim copyright protection in various operating bulletins distributed to franchisees over the course of the franchise

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Gateway Newstands must be under your direct, on-premises supervision or under the direct, on-premises supervision of an employee of yours acting as the manager. Any employee acting as the manager must be trained by you to Tobmar's satisfaction. You must cause any manager to devote full time and attention to the operation of your Gateway Newstand. You must use your best efforts to promote your Gateway Newstands and the system even though you may not be managing the business.

There is no requirement that the manager have an equity interest in the franchise.

All owners of a corporate franchisee must assume and agree to be bound by the obligations of the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are not required to sell all goods and services authorized by Tobmar but must maintain the minimum quantities and types of inventory Tobmar periodically prescribes. Generally, you must offer for sale only the types of goods and services Tobmar periodically prescribes, and you must refrain from offering or selling any other goods or services. You will have certain discretion in the brands of items carried at your Gateway Newstands if they are consistent with the lease and not inconsistent with the image of a Gateway Newstand. Tobmar may change the types of authorized goods and services you offer and sell and there are no limits on its right to do so.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Franchise Agreement

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
a Length of the franchise term	Section 1 1	Coterminous with the term of your lease or sublease
b Renewal or extension of the term	Section 1 2	You can renew for the renewal term of lease or sublease if you satisfy certain requirements and are in compliance with the Franchise Agreement and other agreements
c Requirements for franchisee to renew or extend	Section 1 2	You must maintain possession of premises, give notice of your intention to renew at least 6 months but no more than 12 before the end of the term, complete all requires refurbishing, renovating and remodeling of premises, reimburse Tobmar for all legal and related costs, execute a general release You may be asked to sign a contract with materially different terms and conditions than your original contract
d Termination by franchisee	Not Applicable	Not Applicable
e Termination by franchisor without cause	Not Applicable	Not Applicable
f Termination by franchisor with cause	Section 2 2 and 9 1	Tobmar can only if you default or if landlord refuses to lease to Tobmar or to consent to sublease to franchise
g 'Cause" defined – curable defaults	Section 9 1	You have 5 days cure failure to furnish reports, financial statements or other information required by Franchise Agreement, failure to pay amounts due Tobmar or its affiliates and failure to cease conduct adversely affecting the mark or goodwill or reputation of Tobmar or its franchisees You have 15 days to cure other defaults not otherwise listed in Section 9 1

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
h "Cause" defined – non-curable defaults	Section 9 1	Non curable defaults failure to open business in timely manner, lease or sublease expires or is terminated, unauthorized assignment, repeated defaults, acts of bankruptcy, insolvency or the like which are not dismissed or resolved within specified time periods, failure to keep business open for 5 consecutive days, failure to maintain lottery authority violation of any anti-terrorism law
i Franchisee's obligations on termination/non-renewal	Section 9 2	Obligations include complete deidentification and payments of amounts owed
j Assignment of contract by franchisor	Section 8 1	No restriction on Tobmar's right to assign except that Tobmar will continue to remain liable for performance unless assignment is part of assignment of all or substantially all of Tobmar's business
k "Transfer" by franchisee-defined	Section 8 2	Includes transfer of contract or ownership change
l Franchisor approval of transfer by franchisee	Section 8 2	Tobmar has the right to approve all transfers but will not unreasonably withhold approval
m Conditions for franchisor approval of transfer	Section 8 2	Includes you must be in compliance with Franchise Agreement, you must pay a transfer fee equal to 5% of the purchase price, transferee must qualify, all advertisements to sell must be approved by Tobmar, transferee must execute then current franchise agreement, you must pay all amounts you owe to Tobmar you must release Tobmar and its affiliates transferee must purchase all assets and assume all liabilities and lease
n Franchisor's right of first refusal to acquire franchisee's business	Section 8 4	Tobmar can match any offer for your business
o Franchisor's option to purchase franchisee's business	Section 9 3	Tobmar can purchase assets upon expiration or termination at cost less depreciation at 2% per month from the date of purchase

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
p Death or disability of franchisee	Section 8 6	Franchise must be assigned to approved buyer within 12 months
q Non-competition covenants during the term of the franchise	Section 10 2	No involvement in competitive or similar business anywhere
r Non-competition covenants after the franchise is terminated or expires	Section 10 3	No involvement in competitive or similar business at premises or 5 miles of premises or 5 miles of any other Gateway Newstands
s Modification of the agreement	Section 11 5	No modifications generally unless both parties agree in writing Tobmar can modify system
t Integration/merger clause	Section 11 5	Only the terms of the Franchise Agreement are binding (subject to state law) Any other promises may not be enforceable However nothing is intended to disclaim any representation made in this disclosure document
u Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v Choice of Forum	Not Applicable	Subject to state law
w Choice of Law	Section 11 14	Except for claims under federal trademark law, the law of the state where Gateway Newstands is located will apply (subject to state law)

Sublease Agreement

<u>Provision</u>	<u>Section in Sublease Agreement</u>	<u>Summary</u>
a Length of the franchise term	Section 3 A	Begins on commencement date of prime lease and ends 1 day prior to expiration of initial term of prime lease
b Renewal or extension of the term	Not Applicable	Will depend upon renewal of prime lease and compliance with all agreements
c Requirements for franchisee to renew or extend	Not Applicable	Not Applicable

<u>Provision</u>	<u>Section in Sublease Agreement</u>	<u>Summary</u>
d Termination by franchisee	Not Applicable	Not Applicable
e Termination by franchisor or its affiliate without cause	Not Applicable	Not Applicable
f Termination by franchisor or its affiliate with cause	Section 3 B	Tobmar or its affiliate can only terminate if you default or Franchise Agreement expires or terminates for any reason
g "Cause" defined – curable defaults	Section 3 B	You have 3 days to cure failure to pay rent or other amounts due and 7 days to cure any other default not otherwise listed in Section 3 B
h "Cause" defined – non-curable defaults	Section 9 I	Non-curable defaults, action or inaction which would cause default under prime lease, failure to submit reports or reports which understate gross sales by 2% or more on 3 or more occasions, Franchise Agreement is terminated or expires for any reason
i Franchisee's obligations on termination/non-renewal	Section 3 D	Obligations include surrender of premises
j Assignment of contract by franchisor or affiliate	Section 10 C	No restrictions on Tobmar's or its affiliate's right to assign
k "Transfer" by franchisee-defined	Section 10 A	Includes transfer of contract or interest
l Franchisor or its affiliate approval of transfer by franchisee	Section 10 A	Tobmar has the right to approve all transfers but will not unreasonably withhold approval when franchise is being transferred
m Conditions for franchisor or its affiliate's approval of transfer	Section 10 A	Can only be done if Franchise Agreement requirements are satisfied
n Franchisor's or its affiliate's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable

<u>Provision</u>	<u>Section in Sublease Agreement</u>	<u>Summary</u>
o Franchisor's or its affiliate's option to purchase franchisee's business	Not Applicable	Not Applicable
p Death or disability of franchisee	Not Applicable	Not Applicable
q Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s Modification of the agreement	Not Applicable	Not Applicable
t Integration/merger clause	Section 12 A	Only the terms of the Sublease Agreement are binding (subject to state law) Any other promises may not be enforceable However, nothing is intended to disclaim any representation made in this disclosure document
u Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v Choice of Forum	Not Applicable	Subject to state law
w Choice of Law	Section 12 E	The law of the state where Gateway Newstands is located will apply (subject to state law)

ITEM 18

PUBLIC FIGURES

Tobmar does not use any public figures to promote its 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 this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Operating Officer, Steve Tennant, 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, (905) 851-9652, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No 1

Systemwide Outlet Summary For years 2014 to 2016

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2014	116	115	1
	2015	115	116	+1
	2016	116	116	0
Company- Owned	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Total Outlets	2014	116	115	-1
	2015	115	116	+1
	2016	116	116	0

Table No 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For years 2014 to 2016

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2014	0

Column 1	Column 2	Column 3
State	Year	Number of Transfers
	2015	1
	2016	1
Illinois	2014	3
	2015	2
	2016	2
Texas	2014	2
	2015	0
	2016	0
Totals	2014	5
	2015	3
	2016	3

Table No 3

**Status of Franchised Outlets
For years 2014 to 2016**

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9
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	2014	6	0	0	0	0	0	6
	2015	6	0	0	0	0	0	6
	2016	6	0	0	0	0	0	6
District of Columbia	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Florida	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Georgia	2014	8	0	1	0	0	0	7
	2015	7	0	1	0	0	0	6
	2016	6	0	0	0	0	0	6
Illinois ¹	2014	34	3	1	0	0	0	36
	2015	36	5	0	0	0	0	41

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9
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
	2016	41	0	2	0	0	0	39
Maryland	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
Massachusetts	2014	7	0	3	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Michigan	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Missouri	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	1	1	0	0	0	2
New Jersey	2014	5	0	0	0	0	0	5
	2015	5	0	2	0	0	0	3
	2016	3	0	0	0	0	0	3
New York	2014	30	2	2	0	0	0	30
	2015	30	1	2	0	0	0	29
	2016	29	0	0	0	0	0	29
North Carolina	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Ohio	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Pennsylvania	2014	4	0	1	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9
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
Texas	2014	11	0	0	0	0	0	11
	2015	11	0	0	0	0	0	11
	2016	11	1	0	0	0	0	12
Virginia	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Totals	2014	116	7	8	0	0	0	115
	2015	115	6	5	0	0	0	116
	2016	116	3	3	0	0	0	116

Notes

1 During the fiscal year ended December 31, 2015, 1 franchised outlet in this state closed due to the expiration of the lease, at which point we refranchised the outlet to a new franchisee before the end of the fiscal year

Table No 4

Status of Company-Owned Outlets For years 2014 to 2016

Col 1 State	Col 2 Year	Col 3 Outlets at Start of the Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired From Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
Totals	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0

Table No 5

**Projected Openings
As of December 31, 2016**

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Florida	0	1	0
Georgia	0	1	0
Illinois	0	2	0
Maryland	0	1	0
Missouri	0	1	0
New Jersey	0	1	0
New York	5	3	0
Pennsylvania	0	1	0
Texas	2	2	0
Washington	0	1	0
Totals	7	15	0

Notes

1 The total number of outlets where a Franchise Agreement was signed during 2016, but the outlet is not yet open is one

The numbers in the above tables are for the fiscal years ending December 31, 2014, December 31, 2015 and December 31, 2016

Attached to this Disclosure Document are

A list of all franchised outlets of Tobmar as of December 31, 2016 (Exhibit G)

The name and last known business address (city and state) and telephone number of the 7 franchisees of Tobmar who had an outlet terminated, cancelled, not renewed, or voluntary or involuntary ceased to do business under the Franchise Agreement during Tobmar's most recently completed fiscal year or who has not communicated with Tobmar within 10 weeks of the application date (Exhibit H)

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

There is no specific franchisee organization associated with the franchise systems (i) which has been created, sponsored, or endorsed by the franchisor, or (ii) has been incorporated or otherwise organized under the state law and has asked it be included in the disclosure document during the next fiscal year

We have not signed confidentiality clauses with current or former franchisees that restrict them from discussing with you their experiences as a franchisee in the Tobmar franchise system

ITEM 21

FINANCIAL STATEMENTS

Exhibit F contains Tobmar's audited financial statements for its fiscal years ending April 30, 2014, April 30, 2015 and December 31, 2016. The franchisor previously utilized a fiscal year that ended on April 30th, but recently converted to a December 31 fiscal year end.

ITEM 22

CONTRACTS

Attached are the following contracts:

Exhibit B	Franchise Agreement
Exhibit C	Sublease
Exhibit D	Assignment and Assumption Agreements
Exhibit E	Disclosure Acknowledgement Statement
Exhibit I	State Addenda and Agreement Riders (including sample general release)

ITEM 23

RECEIPT

Attached are 2 copies of the Receipt for this disclosure document. Tobmar will keep one and you will keep one after they have been signed.

EXHIBIT A

LIST OF STATE AGENCIES

<u>CALIFORNIA</u> Commissioner of Business Oversight Department of Business Oversight 320 West 4 th Street, #750 Los Angeles, CA 90013 (213) 576-7500 1-866-275-2677 <u>HAWAII</u> Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 <u>Agents for Service of Process</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 <u>ILLINOIS</u> Illinois Attorney General Chief, Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465 <u>INDIANA</u> Secretary of State Securities Division Room E-018 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	<u>MARYLAND</u> Office of the Attorney General Securities Division 200 St Paul Place Baltimore, Maryland 21202 (410) 576-6360 <u>MICHIGAN</u> Franchise Administrator Consumer Protection Division 670 Law Building Lansing, MI 48913 (517) 373-7117 <u>MINNESOTA</u> Department of Commerce Commissioner of Commerce 85 Seventh Place East, #500 St Paul, MN 55101-3165 (651) 296-4026 <u>NEW YORK</u> New York Attorney General Investor Protection & Securities Bureau Franchise Section 120 Broadway, 23 rd Floor New York, NY 10271 (212) 416-8236 <u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol, Fifth Floor, Dept 414 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-4712	<u>RHODE ISLAND</u> Department of Franchise Regulation 1511 Pontiac Avenue John O Pastore Complex Bldg 69-1 Cranston, Rhode Island 02920 (401) 462-9527 <u>SOUTH DAKOTA</u> Department of Labor and Regulation Division of Securities 445 E Capitol Avenue Pierre, South Dakota 57501 (605) 773-4823 <u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1 st Floor (service of process) 9 th Floor (administrator) 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051 <u>WASHINGTON</u> Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760 <u>WISCONSIN</u> Department of Financial Institutions Division of Securities 345 West Washington Avenue 4 th Floor Madison, WI 53703 (608) 266-3364
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EXHIBIT B
FRANCHISE AGREEMENT

TOBMAR INVESTMENTS INTERNATIONAL INC
FRANCHISE AGREEMENT

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TOBMAR INVESTMENTS INTERNATIONAL INC

FRANCHISE AGREEMENT

THIS AGREEMENT made this _____ day of _____, 20__ BY AND BETWEEN

TOBMAR INVESTMENTS INTERNATIONAL INC , a corporation
incorporated under the laws of Nevada,

(hereinafter called "Franchisor")

- and -

(hereinafter called the "Franchisee")

RECITALS

WHEREAS, Franchisor is engaged in the business of franchising the establishment and operation of specialty retail outlets ("Gateway Newstands" or "Gateway Newstands retail outlet") selling to the public certain items of merchandise including candy, cards, gifts, tobacco, reading materials and other sundry items under the trademark "Gateway Newstands" or variations thereof (the "Mark"),

WHEREAS, Franchisor has developed a uniform business system using standardized methods, specifications, procedures and designs (the "System") for the operation of a Gateway Newstands retail outlet, and

WHEREAS, the Franchisee has applied to Franchisor for a franchise to operate a Gateway Newstands retail outlet and use the Mark and the System, and such application has been approved by Franchisor in reliance upon all representations contained in the Franchisee's application, including representations as to the financial resources of the Franchisee,

NOW THEREFORE, in consideration of the mutual covenants herein, the parties agree as follows

ARTICLE 1 - GRANT OF FRANCHISE RIGHTS

1.1 **Grant** Subject to the provisions of this Agreement, Franchisor grants to the Franchisee a franchise to establish and operate a Gateway Newstands retail outlet ("Gateway Newstands" or the "Franchise") and to use the Mark and the System in connection therewith at the location described in Part 1 of Schedule A (the "Premises"). The term of this Agreement shall commence on the commencement date of the Franchisee's lease or sublease for the Premises and shall be coterminous with the term of the lease or sublease. Termination or expiration of this Agreement shall constitute a termination of the Franchise herein granted.

1.2 **Renewal** The Franchisee may renew the Franchise for one (1) additional period commencing _____ and ending _____ on the terms and conditions set forth in this Agreement (except that the amount of the royalty payments for the renewal period shall be modified to reflect the royalty payments determined in accordance with requirements for franchises then offered for Gateway Newstands retail outlets), provided that the following conditions are first satisfied:

- (a) The Franchisee has the right to remain in possession of the Premises.
- (b) The Franchisee gives Franchisor written notice of Franchisee's intention to renew at least six (6) months but not more than twelve (12) months prior to the end of the term of this Agreement.
- (c) The Franchisee completes to Franchisor's satisfaction such maintenance, refurbishing, renovating and remodelling of the Premises and its contents as Franchisor may reasonably require, no later than thirty (30) days before the end of the term of this Agreement.
- (d) As of the end of the term of this Agreement, the Franchisee is not in default under this or any other agreement with Franchisor or its affiliates and has timely met all monetary obligations owing under all such agreements throughout their terms and has otherwise substantially complied with Franchisee's other obligations under all such agreements.
- (e) The Franchisee reimburses Franchisor for all of its legal and related expenses in connection with the renewal of the Franchise.
- (f) The Franchisee delivers to Franchisor at the end of the term of this Agreement, in form and terms prescribed by Franchisor, a general release of all of the Franchisee's claims against Franchisor, its affiliates and its and their shareholders, officers and directors.

1.3 **Reservation of Rights** The Franchisee (and its owners, if applicable) acknowledge that the Franchise granted by this Agreement gives them the right to operate a Gateway Newstands only at the Premises, and does not in any way convey or imply any protected area or territorial rights. Franchisor retains all rights with respect to Gateway

Newstands retail outlets, the Mark and the System, including (by way of example only and not as a limitation), (a) the right to operate or grant others the right to operate Gateway Newstands retail outlets on terms and conditions Franchisor deems appropriate, (b) the right to sell products using the Mark or other commercial symbols through retail stores and other channels of distribution (other than Gateway Newstands retail outlets) pursuant to terms and conditions that Franchisor deems appropriate, and (c) the right to operate other retail outlets or enter into other lines of businesses offering similar or dissimilar products or services under service marks and/or trademarks other than the Mark

ARTICLE 2 - SELECTION AND LEASING OF PREMISES

2 1 **Site Selection and Leasing** The Franchisee has secured or will concurrently herewith secure by lease or sublease the site for the Premises in the form and manner prescribed by Franchisor. Franchisee understands and agrees that Franchisor makes no warranty or guarantee that the site chosen for the Gateway Newstands will be successful and that the business contemplated by this Agreement involves business risks and that its success is largely dependent upon the ability of the Franchisee as an independent businessman. The Franchisee agrees to observe and perform all of the covenants imposed upon him in the lease or sublease. In addition, the Franchisee agrees to pay all amounts required under the lease or sublease.

2 2 **Lessor's Refusal to Lease or Sublet** It is expressly understood and agreed by the parties hereto that if Franchisor or its affiliate is, for any reason whatsoever, unable to obtain a lease for the Premises or the written consent of any landlord whose consent may be required to the subletting of the Premises to the Franchisee, then this Agreement shall be terminated and of no further force or effect effective as of the date the Franchisee receives notice that such lease or consent cannot be obtained, and the Franchisee agrees that Franchisor shall not be responsible for any losses, damages, costs or expenses whatsoever or howsoever incurred by them as a result of the inability to obtain such lease or consent. Further, Franchisor agrees to return to the Franchisee any portion of the franchise fee paid by the Franchisee pursuant to Section 3 1 hereof, without interest, forthwith upon establishment of the inability to obtain such lease or consent. Also, all provisions of this Agreement respecting termination, including without limitation the provisions of Sections 9 2, 9 3, 9 4, 10 1, 10 3 and 10 4 shall survive such termination.

2 3 **Use of Premises** The Franchisee may operate the Gateway Newstands only at the Premises. The Franchisee agrees that the Premises shall be operated exclusively as a Gateway Newstands continuously throughout the term of this Agreement. Without the prior written consent of Franchisor, the Franchisee shall not make any material alterations, additions, replacements or improvements to the Premises.

ARTICLE 3 - INITIAL AND CONTINUING PAYMENTS

3 1 **Franchise Fee** Concurrently with signing this Agreement, the Franchisee shall pay to Franchisor an initial franchise fee in the amount set out in Part 2 of Schedule A, less amounts previously paid, if any. Except as otherwise provided herein, the initial franchise fee is nonrefundable.

3 2 **Monthly Franchise Fee** In return for the on-going rights and privileges granted to the Franchisee hereunder, the Franchisee agrees to pay to Franchisor a monthly franchise fee based on a percentage of "Gross Sales" and a percentage of "Commissions" (both as defined in Section 3 3), as set forth in Part 3 of Schedule A The monthly franchise fee is payable on or before the tenth day of each calendar month and shall be computed based upon Gross Sales and Commissions for the previous calendar month

3 3 **Definitions of Gross Sales and Commissions** For all purposes of this Agreement, "Gross Sales" means the entire amount of the actual sales price, whether for cash, credit or otherwise, of all sales of goods and services in respect of the Gateway Newstands and all other receipts whatever from all business conducted upon or originating from the Premises, including the proceeds of any business interruption insurance received by the Franchisee with respect to the Gateway Newstands, but exclusive of any Commissions (as defined below) Each charge or sale upon installment or credit shall be treated as a sale for the full price in the month during which the charge or sale is made, regardless of the time when the Franchisee receives payment (whether full or partial) therefor No deduction shall be made for uncollected or uncollectable credit accounts In calculating Gross Sales there may be deducted, without duplication, any sums collected by the Franchisee for any duly constituted governmental authority and paid out by the Franchisee to such authority on account of sales taxes or other like direct taxes imposed upon the sale of goods or services by the Franchisee, and the amount of any refund or credit given in respect of any goods returned or exchanged by a customer for which a refund of the whole or a part of the purchase price is made, or for which a credit is given, but in each case only to the extent that such tax, refund or credit was originally included in Gross Sales

For purposes of this Agreement, "Commissions" shall mean all commissions, rebates, or other payments received by or owing to the Franchisee on or as a result of any sales by a vendor or other third party to a customer of the Gateway Newstands By way of example, Commissions shall include commissions earned on lottery sales, payments received for selling winning lottery tickets, sales of event tickets, money wire services, check cashing services, etc

ARTICLE 4 - **IMPROVEMENTS TO PREMISES**

4 1 **Development of Premises by Franchisee** If Franchisor, in its sole discretion, determines that the Franchisee has the ability and experience to construct and develop the Premises himself/herself, the Franchisee will be permitted to construct and develop the Premises in accordance with the standards and specifications prescribed by Franchisor, including its requirements for the installation of fixtures and furnishings, and signs (the "Fixtures and Furnishings") and the purchase of opening inventory and other supplies (the "Inventory") All of the above are collectively referred to herein as the "Improvements " In such event, the Franchisee shall be solely responsible for making all Improvements and shall pay all costs and expenses necessary to complete all Improvements to the Premises so that the Premises may be opened to the public for business in accordance with the standards established by Franchisor under the System and by the Landlord under the Lease Franchisor reserves the right to inspect the Premises and the Improvements at any time during the development thereof The Franchisee shall pay to Franchisor upon demand its costs related to furnishing plans and specifications and review and supervision of construction and development of the Premises Franchisor will the

notify the Franchisee of any deficiencies with respect to the Improvements and the Franchisee shall promptly take such steps as necessary to correct any such deficiencies. The Franchisee must use its best efforts to complete the development of the Premises as diligently as possible after obtaining possession of the Premises. The Gateway Newstands must be completed and open for business by the period required in the lease or sublease or, if sooner, within five (5) days after Franchisor's notice that the improvements have been completed to Franchisor's satisfaction.

4.2 **Development of Premises by Franchisor** Except as provided above, Franchisor will make the Improvements, and Franchisor and the Franchisee agree that the Premises shall be developed in accordance with the terms of Schedule B attached hereto and specifically made a part hereof. The Franchisee shall open the Gateway Newstands within five (5) days of Franchisor's completion of the Improvements.

ARTICLE 5 - **OBLIGATIONS OF FRANCHISOR**

5.1 **Training and Opening Assistance** At no additional charge to the Franchisee, Franchisor will provide initial training for the Franchisee which Franchisor, in its sole discretion, deems necessary, based on the Franchisee's experience and skills, to enable the Franchisee to operate the Gateway Newstands. Such training will be provided at the Gateway Newstands or at such other location designated by Franchisor, at such time and for such period as Franchisor, in its reasonable discretion, deems necessary.

5.2 **Ongoing Assistance** After the opening of the Gateway Newstands, Franchisor will furnish to the Franchisee such continuing advice and guidance as is from time to time reasonably required by the Franchisee with respect to purchasing, selection, stocking and display of inventory, hiring and training of employees, formulation and implementation of advertising and promotional programs for the Gateway Newstands and establishing and maintaining administrative, bookkeeping, accounting, inventory control and general operating procedures.

ARTICLE 6 - **OBLIGATIONS OF THE FRANCHISEE**

So long as this Agreement remains in force, the following shall apply:

6.1 **Standards** The Franchisee shall comply with all specifications, standards and operating procedures as are from time to time prescribed by Franchisor to the Franchisee. Such specifications, standards and operating procedures may be communicated to the Franchisee through written memoranda, operating bulletins or other similar materials. Such materials shall for all purposes be deemed to be provisions of this Agreement, and are incorporated herein by reference. The Franchisee agrees that Franchisor may from time to time add to, delete from or otherwise modify the System or materials governing the operation of the Gateway Newstands, including without limitation the adoption and use of new and different trade marks, products, services and techniques, provided that no such addition, deletion or modification shall alter the Franchisee's fundamental status and rights under this Agreement. The Franchisee agrees at its own cost to promptly implement and use all such modifications to the System or materials governing the operation of the Gateway Newstands.

6 2 **Full Time and Attention** The Gateway Newstands shall at all times be under the direct, on-premises supervision of the Franchisee or an employee of the Franchisee, acting as manager of the Gateway Newstands, who has been trained to Franchisor's satisfaction. The Franchisee agrees to cause such manager to devote his full time and attention to the operation of the Gateway Newstands and the Franchisee agrees to continuously use his/her best efforts to promote the System and the Gateway Newstands.

6 3 **Permits** The Franchisee shall secure and maintain in good standing all required licenses, permits and certificates for the operation of the Gateway Newstands and shall operate the Gateway Newstands in compliance with all applicable federal, state and local laws, by-laws and regulations.

6 4 **Maintain Premises** The Franchisee shall maintain the Premises and all Fixtures and Furnishings from time to time used in connection with the Gateway Newstands in good order and repair. The Franchisee shall cause items of Fixtures and Furnishings to be replaced as they become obsolete or mechanically impaired with either the same or substantially the same types and kinds of Fixtures and Furnishings as are prescribed by Franchisor for use by Gateway Newstands retail outlets at the time replacement becomes necessary. All Fixtures and Furnishings shall be purchased only from suppliers approved in writing by Franchisor. The Franchisee shall permit Franchisor or its designee to enter and inspect the premises and to examine and test Fixtures and Furnishings, Inventory and other goods and services for the purpose of ensuring that the Franchisee is operating the Gateway Newstands in accordance with the terms of this Agreement. Inspections may be conducted at any time during regular business hours at the discretion of Franchisor and without prior notification to the Franchisee. Franchisor will notify the Franchisee of any deficiencies detected during inspection and the Franchisee shall promptly correct any such deficiencies. If Franchisor notifies the Franchisee that any Fixtures and Furnishings or Inventory do not meet the standards of Franchisor, then the Franchisee shall immediately refrain from the further use thereof.

6 5 **Authorized Goods and Services** The Franchisee shall offer for sale in conjunction with the Gateway Newstands only the types of goods and services as may from time to time be authorized by Franchisor for Gateway Newstands retail outlets, or which otherwise have received the prior written approval of Franchisor, and shall refrain from offering for sale or using any other goods or services.

6 6 **Purchase of Inventory** The Franchisee shall maintain such minimum quantities and types of Inventory as Franchisor from time to time specifies. Franchisor will provide Franchisee a list of approved suppliers. Franchisor does not currently but may in the future require Franchisee to purchase all Inventory from suppliers approved by Franchisor.

6 7 **Employees** The Franchisee shall train all employees of the Gateway Newstands in accordance with the training standards prescribed by Franchisor and shall employ at all times a sufficient number of adequately trained personnel to efficiently service all customers of the Gateway Newstands. The Franchisee shall ensure that prompt, courteous and efficient service is at all times afforded to customers of the Gateway Newstands.

6 8 **Telephone Listings** The Franchisee shall obtain and maintain at Franchisee's own expense "White Pages" and "Yellow Pages" listings for the Gateway Newstands, in the form prescribed by Franchisor, in all telephone and classified directories serving the market area in which the Gateway Newstands is located

6 9 **Pricing** Franchisor may from time to time advise or offer guidance to the Franchisee relative to the prices to be charged by Franchisee that, in Franchisor's judgement, would constitute good business practice. The Franchisee shall not be obligated to accept any such advice or guidance and shall have the sole right to determine the prices to be charged by Franchisee and no such guidance or advice shall be deemed or construed to impose upon Franchisee any obligation to charge any fixed, minimum or maximum price

6 10 **Insurance** Upon signing this Agreement, the Franchisee shall obtain and maintain at Franchisee's own expense insurance coverage of such type, in such amounts and with such insurers as Franchisor may from time to time require. Franchisor may designate one insurer from whom the Franchisee must acquire such insurance. Such insurance must fully protect Franchisor, its officers, directors, employees and agents and/or its affiliates (as an additional named insured) and the Franchisee against loss or damage occurring in conjunction with the operation of the Gateway Newstands. Maintenance of such insurance shall not relieve the Franchisee from the indemnity set out in Section 11 3. Certified copies of all insurance policies required under this Section shall be furnished to Franchisor within thirty (30) days of signing this Agreement, and certificates confirming the renewal of each such insurance policy shall be furnished to Franchisor at least ten (10) days prior to the expiration of such policy. Such certificates shall state that the policies referred to therein will not be cancelled or altered without at least thirty (30) days prior written notice to Franchisor. If Franchisor is not provided with proof of payment of any insurance premiums payable under any insurance required of this Section within fifteen (15) days after the due date, then Franchisor may pay the required premiums and the Franchisee agrees to reimburse Franchisor upon demand for all amounts so paid

If Franchisor elects (in its sole discretion) to obtain insurance coverage for losses resulting from acts of terrorism ("Terrorism Insurance"), then the Franchisee agrees that it shall pay to Franchisor its proportionate share of the cost of such insurance. If Franchisor elects to obtain Terrorism Insurance, it may insure against losses relating to all or any portion of the Gateway Newstands. Franchisor will develop a formula to apportion the costs of such Terrorism Insurance among the applicable Gateway Newstands, and the Franchisee agrees to pay its portion of such costs (as calculated pursuant to such formula) upon receipt of notice from Franchisor

6 11 **Reports** The Franchisee shall furnish to Franchisor in the form from time to time prescribed by Franchisor

(a) by the tenth day of each calendar month a statement of Gross Sales of the Gateway Newstands for the previous calendar month, in form supplied by Franchisor and certified by the Franchisee, together with such supporting information as Franchisor may require, and

(b) as soon as practicable and in any event within ninety (90) days after the end of each fiscal year of the Gateway Newstands, unaudited financial statements of the Gateway Newstands for such fiscal year, prepared by an independent certified public accounting firm, consisting of a balance sheet, a statement of income and a statement of source and application of funds setting forth in each case, in comparative form, the corresponding figures for the previous fiscal year

The Franchisee shall establish a bookkeeping, accounting and recordkeeping system conforming to the requirements prescribed by Franchisor from time to time. All receipts from sales or other transactions made in connection with the Gateway Newstands shall be recorded at the time of sale and in the presence of the customer on cash registers and related equipment of such makes and models as Franchisor specifies. On request of Franchisor, the Franchisee shall purchase from Franchisor or from suppliers approved by Franchisor and shall install and use in connection with the Gateway Newstands a microcomputer and peripheral equipment of such make and model as Franchisor shall specify.

6.12 Audit Franchisor shall have the right, at any time during normal business hours and without prior notice to the Franchisee, to inspect or cause to be inspected and audited all business, bookkeeping and accounting records of the Franchisee, and of any person having an ownership interest in the Franchisee to the extent that such person's records relate to the Gateway Newstands. The Franchisee shall fully co-operate with representatives of Franchisor and independent accountants hired by it to conduct any such inspection or audit. If such inspection or audit discloses an understatement of Gross Sales for any period, then the Franchisee shall immediately pay to Franchisor the royalty fee and advertising contribution owing in respect thereof and interest thereon as provided in this Agreement. Further, if any such understatement amounts to more than two percent (2%) of the total Gross Sales reported for the period in question, or if such inspection or audit has been made by Franchisor as a result of the failure of the Franchisee to submit reports as required by Section 6.11, then without prejudice to Franchisor's rights of termination under Article 9, the Franchisee shall promptly reimburse Franchisor for the cost of such inspection or audit, including, without limitation, the travel expenses, room, board and compensation of employees of Franchisor and of independent accountants engaged in any such inspection or audit.

6.13 Merchandising Program Franchisor administers a merchandising program for Gateway Newstands. It is agreed by the Franchisee that the Franchisor will negotiate on an exclusive basis with all manufacturers and suppliers who wish to promote their products in Gateway Newstands. The Franchisee agrees to make store space and product available to Franchisor, manufacturers and suppliers in accordance with the terms of the executed contracts between Franchisor and the manufacturer or supplier. The Franchisee agrees to make the store premises available to manufacturers' or suppliers' representatives or personnel of the Franchisor to change or freshen up displays or display material during regular business hours. The Franchisee shall allow the right of inspection by personnel of the Franchisor or manufacturers' or suppliers' representatives. The Franchisor shall have the right to withhold payment if display material and goods are not maintained in accordance with the criteria set out in the contract between the Franchisor and the applicable manufacturer or supplier. An outline of the details of

the contracts will be supplied to each Franchisee in advance. It is agreed that display contracts for goods or promotional material may be arranged weekly, monthly, or annually and are subject to change at any time. Payment of promotional monies to the Franchisee will be made twice a year, on approximately December 15 and June 15. Franchisor shall have the sole discretion to apply any monies owed to the Franchisee pursuant to the merchandising program to any past due indebtedness of the Franchisee for monthly franchise fees, rent payments, purchases from the Franchisor or its affiliates, interest, or any other indebtedness of the Franchisee to Franchisor or its affiliates. It is agreed that it may be necessary to give certain manufacturers or suppliers an exclusive agreement in order to maximize promotional allowances. The Franchisee gives his/her approval to Franchisor to negotiate these agreements. It is agreed that if any additional display fixtures or renovations to existing fixtures are required by a contract Franchisor negotiated with a manufacturer or supplier, the cost of these changes will be at Franchisor's or that supplier's expense entirely. In some cases, certain manufacturers or suppliers may be prepared to pay promotional allowances to display their product in large quantities such as a dump bin or a floor display. This may require the Franchisee to purchase more stock than would normally be in the store, and the Franchisee agrees to do so. Franchisor will keep ten percent (10%) of the revenue from this program as an administrative fee. The remaining ninety percent (90%) shall be divided equally with forty-five percent (45%) going to the Franchisor and forty-five percent (45%) going to participating franchisees. The franchisees' share shall be allocated among participating franchisees according to the following formula:

"Total Franchisee Revenue" is total revenue minus ten percent (10%) administrative charge divided by 2. Total Franchisee Revenue to be allocated among franchisees as follows:

Individual Franchisee Sales

Sales of all Franchisees	X	Total Franchisee Revenue	=	Individual Franchisee's Portion of Total Franchisee Revenue
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ARTICLE 7 - MARKS

7.1 **Usage** Franchisee agrees to use the Mark in full compliance with rules reasonably prescribed from time to time by Franchisor. Franchisee shall not use the Mark as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to the Franchisee hereunder), nor may the Franchisee use the Mark in connection with the sale of any unauthorized inventory or service or in any other manner not explicitly authorized in writing by Franchisor. Any unauthorized use of the Mark shall constitute an infringement of the rights of Franchisor.

7.2 **Proceedings, Licenses and Consents** The Franchisee shall immediately notify Franchisor of any infringement of or challenge to the Franchisee's or Franchisor's use of the Mark or claim by any person of any rights in the Mark, and the Franchisee shall not communicate with any person other than Franchisor and its counsel in connection with any such infringement, challenge or claim. Franchisor shall have the right to determine what action, if any, shall be taken under the circumstances and to determine the manner in which any litigation or Patent and Trademark Office or other proceeding arising out of any such infringement,

challenge or claim or otherwise relating to the Mark shall be controlled or handled. The Franchisee agrees to execute any and all instruments and documents, render such assistance and do such acts and things as may be necessary or advisable in connection with any such litigation or Patent and Trademark Office or other proceeding or to otherwise protect and maintain the Mark.

7.3 **Indemnification** Franchisor agrees to indemnify the Franchisee against and to reimburse Franchisee for all damages for which the Franchisee is held liable in any proceeding arising out of the use of the Mark in compliance with this Agreement and for all costs reasonably incurred by the Franchisee in the defense of any such claim brought against the Franchisee or in any such proceeding in which the Franchisee is named as a party. If it becomes advisable at any time in the sole discretion of Franchisor for the Franchisee to modify or discontinue use of the Mark and/or use one or more additional or substitute Marks, the Franchisee agrees to do so and the sole obligation of Franchisor in any such event shall be to reimburse the Franchisee for the Franchisee's reasonable costs of modifying his signage at the Premises.

7.4 **Additional Marks** Franchisor may from time to time during the term hereof, authorize and license the Franchisee to use additional trade and service marks and commercial symbols. All of the provisions of this Agreement applicable to the Mark shall apply to any additional mark.

ARTICLE 8 - ASSIGNMENT, TRANSFER AND ENCUMBRANCE

8.1 **By Franchisor** This Agreement is fully assignable by Franchisor in whole or in part and shall inure to the benefit of any assignee or other legal successor to its interest herein, provided that it shall, subsequent to any such assignment, remain liable for any nonperformance of its obligations contained in this Agreement, unless such assignment is part of a transfer of all, or substantially all, Franchisor's franchising business in which case it shall be relieved of its obligations hereunder.

8.2 **By Franchisee** The Franchisee or its owners shall not voluntarily or involuntarily, directly or indirectly, in whole or in part pledge or encumber, assign, subdivide, subfranchise or transfer the franchise, this Agreement, or any ownership interest in the franchise, this Agreement or the Franchisee (including, without limitation, by the personal representatives of the Franchisee or its owners in the event of the death of the Franchisee or an owner of the Franchisee, by will, declaration of, or transfer in trust or the laws of intestate succession) without the prior written approval of Franchisor, which approval will not be unreasonably withheld. Any purported transfer without Franchisor's consent as provided herein shall be null and void, and a breach hereof. If such approval is granted, it shall be conditional upon at least the following:

(1) the Franchisee being then in full compliance herewith and paying to Franchisor a transfer fee equal to five percent (5%) of the purchase price for the Gateway Newstands,

(2) the transferee and its owners meeting Franchisor's criteria for franchisees, having adequate financial resources and otherwise being capable of operating a Gateway Newstands as a franchisee,

(3) the Franchisee submitting all proposed advertisements for the sale or other disposition of the franchise to Franchisor for its prior written approval, such approval not to be unreasonably withheld,

(4) the transferee executing Franchisor's then current franchise agreement, sublease agreement (if the Gateway Newstands has been subleased from Franchisor or its affiliate) and other documents then used by Franchisor in granting franchises (or, at Franchisor's option, assuming the obligations of the Franchisee hereunder and under the sublease),

(5) for each of the first twelve (12) months after the transfer, the transferee must pay a minimum Monthly Franchise Fee equal to the greater of (a) the Monthly Franchise Fee computed in accordance with Section 3.2 or (b) the average Monthly Franchise Fee payable by the Franchisee during the twelve (12) months immediately preceding the transfer

(6) the Franchisee paying all amounts owed to Franchisor and its affiliates and all other creditors of the Gateway Newstands,

(7) the Franchisee and its owners executing a general release of Franchisor, its affiliates and their officers, directors and employees, and

(8) the transferee purchasing all of the Franchisee's assets used in the Gateway Newstands, assuming all of the Franchisee's existing business liabilities and assuming the Franchisee's lease (if the premises have been leased from a party other than Franchisor)

(9) On closing, the Franchisee shall deposit with the Franchisor the sum of Three Thousand (\$3,000) Dollars to be held in trust for a one (1) year period from the date of closing, for any reassessments or outstanding accounts, that are submitted after closing, that would have been the responsibility of the Franchisee

8.3 Assignment to Corporation Notwithstanding paragraph 8.2, the franchise and this Agreement may be assigned once only at the Franchisee's cost to a newly formed corporation which shall conduct no business other than the franchise, which is actively managed by the Franchisee and in which the Franchisee owns and controls not less than fifty-one percent (51%) of the equity and voting power of all issued and outstanding capital stock of such corporation. The Franchisee and corporation shall execute an Assignment and Assumption Agreement in Franchisor's standard form which shall provide that, notwithstanding such assignment, the Franchisee shall remain bound by the terms and conditions herein imposed upon him

8 4 Franchisor's Right of First Refusal If the Franchisee or any of its owners shall at any time determine to sell the Gateway Newstands or the ownership interest in the Franchisee, the Franchisee or its owner shall obtain a bona fide, executed written offer to purchase the Gateway Newstands together with all personal property, leasehold improvements and other assets used by the Franchisee in the Gateway Newstands or the ownership interest in the Franchisee from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to Franchisor, which shall, for a period of three (3) business days from the date of delivery of such offer, have the right, but not the obligation, exercisable by written notice to the Franchisee, to purchase all of the assets of the Gateway Newstands and the said assets of the Franchisee, or the ownership interest in the Franchisee, for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer. If Franchisor does not exercise its said right of first refusal, the Franchisee may complete the sale of the Gateway Newstands or the ownership interest in the Franchisee to such purchaser on the same terms as offered to Franchisor, subject to the provisions of Paragraph 8 2 hereof. If the sale to such purchaser is not completed within one hundred twenty (120) days after delivery of such offer to Franchisor, Franchisor shall again have the right of first refusal herein provided.

8 5 Temporary Operation of the Gateway Newstands by Franchisor In the event that

- (1) the Franchisee fails to keep the Gateway Newstands open for business during normal business hours,
- (2) the Franchisee is absent from the Gateway Newstands more than thirty (30) days or abandons the Premises,
- (3) the Franchisee or any of its owners dies or becomes permanently incapacitated and the franchise or the ownership interest in the Franchisee is not assigned promptly pursuant to paragraph 8 2 or 8 6 hereof,
- (4) the Franchisee materially breaches any of Franchisor's standards and specifications for the operation of the Gateway Newstands, or
- (5) the Franchise is terminated and Franchisor elects to purchase some or all of the Franchisee's business assets as provided in Section 9 3,

Franchisor shall be entitled to enter onto the Premises and to operate and manage the Gateway Newstands of the Franchisee for the Franchisee (or his estates') account until the franchise is terminated, assigned to a party acceptable to Franchisor, purchased by Franchisor as herein provided or until the Franchisee resumes control over the business and operates it in accordance herewith, provided however, no such operation and management by Franchisor shall continue for more than ninety (90) days without the written consent of the Franchisee or the representatives of his estate. In the event that Franchisor so operates the Gateway Newstands, it shall account to the Franchisee or his estate for all net income from such operation less its reasonable expenses incurred in, and a reasonable management fee for, its operation of the Gateway Newstands.

8 6 Death or Incapacity of the Franchisee Upon the death or permanent incapacity of the Franchisee or any of its owners (which shall be deemed to have occurred if, due to mental or physical infirmity, he fails to actively participate in the operation of the business for a total of thirty (30) days at any time or times during any consecutive twelve (12) month period during the Term), he/she, or his/her estate, shall assign this Agreement and the franchise or his/her ownership interest in the Franchisee to a third party approved by Franchisor within twelve (12) months thereof. Such transfers, including without limitation, transfers by devise or inheritance, shall be subject to the same terms and conditions as an assignment by the Franchisee of this Agreement to a third party transferee pursuant to paragraph 8 2, provided that if the transfer is by devise or inheritance, the transferee will not be obligated to pay a transfer fee.

8 7 Franchisee Corporation

If Franchisee is a corporation or if this Agreement and the franchise are assigned to a corporation pursuant to Section 8 3 such corporation shall conduct no other than the operation of the Gateway Newstands and other Gateway Newstands retail outlets under franchise agreements with Franchisor and shall not engage in any public offering of its securities unless Franchisor in its sole discretion consents to such offering. All shareholders of such corporation shall execute this Agreement and be bound jointly and severally by all provisions hereof and shall thereby also represent and warrant their percentage ownership interest and that they are all of the persons required to sign this Agreement pursuant to this paragraph. The articles of incorporation, by-laws and other organizational documents of such corporation shall recite that the issuance and transfer of any interest therein is subject to the restrictions of this Agreement and all issued and outstanding stock certificates of such corporation shall bear a legend referring to the restrictions contained in this Agreement.

ARTICLE 9 - TERMINATION BY FRANCHISOR

9 1 Events of Termination Franchisor may terminate this Agreement (except for those provisions which expressly or by their nature survive termination, which shall continue in full force and effect) at any time effective immediately upon receipt by the Franchisee of notice of termination.

(a) if the Franchisee does not commence the active operation of the Gateway Newstands by the date required in Section 4 1 or 4 2,

(b) if the Franchisee fails to furnish reports, financial statements or other information required by this Agreement within the required time periods and does not remedy such default within five (5) days of receiving notice of default from Franchisor,

(c) if the lease or sublease for the Premises expires or is terminated for any reason,

(d) if the Franchisee or any of its owners makes an assignment or sale of the franchise, this Agreement or an ownership interest in the Franchisee without complying with the provisions of Article 8 of this Agreement,

(e) if the Franchisee fails to pay when due any amount owing to Franchisor, its affiliates or any supplier of the Gateway Newstands (other than amounts being bona fide disputed by the Franchisee through appropriate proceedings), and the Franchisee continues in such default for more than five (5) days after receiving notice of default from Franchisor,

(f) if the Franchisee or any of its owners engages in any conduct that in the reasonable opinion of Franchisor reflects unfavorably on the Mark or on the goodwill or reputation of Franchisor or its franchisees and the Franchisee does not cease such conduct within five (5) days of receiving notice from Franchisor to cease such conduct,

(g) if the Franchisee fails to observe or perform any of its other obligations under this Agreement and the Franchisee fails to cure such default within fifteen (15) days of receipt from Franchisor of notice of default (provided that if such default is curable, but it cannot reasonably be cured in fifteen (15) days, then the Franchisee shall have such reasonable additional time to cure the default (not to exceed a further twenty (20) days) as Franchisor may allow, as long as the Franchisee diligently proceeds to cure the default),

(h) if the Franchisee receives from Franchisor three (3) or more notices of default in any twelve (12) month period or a total of six (6) notices of default during the term of this Agreement, whether or not such notices refer to the same or different defaults and whether or not such defaults are cured,

(i) if the Franchisee or any of its owners commits an act of bankruptcy or becomes an insolvent person, files, or fails to contest within three (3) days of filing, any petition in bankruptcy, fails to contest, satisfy, lift or vacate within ten (10) days any execution, levy, or distress against the assets of the Gateway Newstands, fails to contest and have removed, within ten (10) days, the appointment of a receiver or other custodian (either temporary or permanent) of the Gateway Newstands or any part of its assets, takes the benefit of any act or proceeding for winding up his affairs or compromising his debts,

(j) if Franchisee fails to keep the Gateway Newstands open for business for more than five (5) consecutive working days, or otherwise takes any steps to cease the operation of the Gateway Newstands,

(k) if Franchisee fails to maintain the necessary licenses, permits or authorizations to participate in any state or local lottery at the Gateway Newstands, including any payments required therefor, or

(l) if the Franchisee or any of its owners violates any Anti-Terrorism Law (as that term is defined in Section 12 4)

9 2 Obligations on Termination Upon the termination or expiration of this Agreement for any reason, the Franchisee and its owners shall immediately discontinue the Franchisee's use of the Mark and shall not thereafter use the Mark or any other trademark or tradename confusingly similar with the Mark and shall return to Franchisor all copies of written materials supplied by Franchisor, shall transfer to Franchisor the Franchisee's right to use all telephone numbers and listings relating to the Gateway Newstands, and shall pay to Franchisor all amounts then owing by the Franchisee under this Agreement. The Franchisee and its owners shall not thereafter identify themselves to the public as a former franchisee of Franchisor or as associated with the Mark.

9 3 Option to Purchase Upon the expiration or termination of this Agreement for any reason whatever, Franchisor shall have the option to purchase all Fixtures and Furnishings, Inventory and all other tangible assets owned and used by the Franchisee in connection with the Gateway Newstands, for a total purchase price equal to Franchisee's cost for such items less depreciation at the rate of two percent (2%) per month from the date of purchase. Franchisor may exclude from the assets purchased any items which, in the reasonable opinion of Franchisor, are obsolete, damaged or otherwise not in marketable or usable condition. Franchisor may only exercise its option to purchase by giving notice of exercise to the Franchisee within thirty (30) days of the expiration or termination of this Agreement. If Franchisor exercises the option, the transaction of purchase and sale shall be closed within five (5) days of the date on which the purchase price is finally determined, and shall be completed in accordance with all applicable bulk sales legislation. The Franchisee shall deliver against payment for the purchased assets a bill of sale with the usual covenants as to title.

9 4 Right of Entry Forthwith upon termination of this Agreement for any reason (and in addition to Franchisor's rights under Section 8 5 hereof), Franchisor may operate and manage the Gateway Newstands, and in connection therewith may enter upon, occupy and use the Premises and all Fixtures and Furnishings and other property located in, on or about the Premises and used in connection with the Gateway Newstands. Franchisor shall not be liable for any trespass or neglect in so doing or in respect of any depreciation or damages in connection with such action. Franchisor shall pay a reasonable rent for the assets so used. The right of Franchisor to remain in occupation of the Premises and to conduct the Gateway Newstands shall continue until the expiration of the option period in Section 9 3, provided that if Franchisor elects to exercise such option, such right shall continue throughout the period preceding and including the closing of such transaction. All revenues, monies, profits, benefits and advantages derived from the management and operation of the Gateway Newstands throughout such period of occupation shall be for the account of Franchisor, provided that Franchisor shall pay and discharge all debts and liabilities incurred by it during the period of its conduct of the Gateway Newstands. In addition, Franchisor shall have the option, but not the obligation, to pay all claims owing by the Franchisee to any creditor of the Gateway Newstands and the Franchisee agrees to reimburse Franchisor upon demand for all amounts so paid. Franchisor shall have no obligation to retain any employees of the Gateway Newstands, nor to honor any contractual commitments previously made by the Franchisee. If Franchisor elects to retain any such employee, such employment shall be pursuant to a new employment agreement between Franchisor and such employee, and shall commence on the first business day on which Franchisor carries on business from the Premises. Any claim of such employee for unpaid salary, vacation pay or other benefits

arising from his employment with the Franchisee shall be the exclusive responsibility of and shall be paid solely by the Franchisee

ARTICLE 10 - **RESTRICTIVE COVENANTS**

10 1 **Confidential Information** The Franchisee (and its owners, if applicable) acknowledge that their knowledge of the operation of the Gateway Newstands will be derived from information disclosed to them by Franchisor pursuant to this Agreement and that certain of such information is confidential or a trade secret of Franchisor. Accordingly, the Franchisee (and its owners, if applicable) agree that they will maintain the confidentiality of all such information both during and after the term of this Agreement and will not use any such information in any other business or in any other manner whatever, except to operate the Gateway Newstands in accordance with this Agreement

10 2 **Non-Competition During Term** The Franchisee (and its owners, if applicable) agree that during the term of this Agreement none of them will (without the prior written consent of Franchisor) individually, in partnership, jointly or in any other manner whatever, as principal, agent, shareholder or in any other capacity whatever, carry on, be engaged in, be concerned with or interested in, or advise, lend money to, guarantee the debts or obligations of, or permit his/her name or any part thereof to be used or employed by, any person engaged in, concerned with or interested in, any business competitive with or similar to the business as carried on from time to time during the term of this Agreement

10 3 **Non-Competition After Term** The Franchisee (and its owners, if applicable) acknowledge that Franchisor's name, the business reputation associated therewith, the methods and techniques of the System, the training and instruction to be provided under this Agreement, the knowledge of the services and methods of Franchisor and the opportunities, associations and experiences established and acquired by them under this Agreement are of considerable value. Accordingly, if this Agreement expires or is terminated for any reason, the Franchisee (and its owners, if applicable) agree that none of them will (without the prior consent of Franchisor) at any time during the period of one (1) year from the date of such expiration or termination and

(a) at the Premises or within five (5) miles of the Premises, and

(b) within a radius of five (5) miles of any other premises at which a Gateway Newstands is operated at the date of termination of this Agreement

individually, in partnership, jointly or in any other manner whatever, as principal, agent, shareholder or in any other capacity whatever, carry on, be engaged in, be concerned with or interested in, or advise, lend money to, guarantee the debts or obligations of, or permit his name or any part thereof to be used or employed by, any person engaged in, concerned with or interested in, any business competitive with or similar to the business as of the date of expiration or termination. The parties agree that Subsections (a) and (b) are independent of each other

10 4 **Solicitation** During the term of this Agreement and for a period of one (1) year thereafter, the Franchisee (and its owners, if applicable) agree that none of them will attempt to

obtain any unfair advantage over any other franchisee of Franchisor, Franchisor or its affiliates, by soliciting for employment any person who is, at the time of such solicitation, employed by such other franchisee, Franchisor or such affiliate, nor shall any of them directly or indirectly induce any such person to leave such employment. The Franchisee (and its owners, if applicable) further agree for the aforesaid period not to divert or attempt to divert any business of or any customers of the Gateway Newstands to any other competitive establishment, whether by direct or indirect inducement or otherwise.

ARTICLE 11 – GENERAL

11.1 **Security** For valuable consideration, as security for the payment of all amounts from time to time owing by the Franchisee to Franchisor under the Agreement and any other agreements between the parties, and performance of all the obligations to be performed by Franchisee, Franchisee hereby grants Franchisor a security interest in all of the assets of the Gateway Newstands (including Inventory, Fixtures and Furnishings) and all the proceeds thereof (the "Collateral"). Franchisee covenants that the security interest granted is prior to all other security interests in the Collateral except bona fide purchase money security interests and the security interest granted by the Franchisee in connection with the Franchisee's original financing for the Gateway Newstands (if any). Franchisee agrees not to remove the Collateral or any portion thereof from the Premises without the written consent of Franchisor, provided the Franchisee may sell inventory in the ordinary course of business. Upon the occurrence of any event entitling Franchisor to terminate this Agreement or any other agreement between the parties, Franchisor shall have all the rights and remedies of a secured party under the Uniform Commercial Code of the State in which the Gateway Newstands is located including, without limitation, the right to take possession of the Collateral, and for that purpose Franchisor may enter upon the Premises and remove the Collateral or any part thereof therefrom. Franchisor will give the Franchisee at least five (5) days notice of any public sale of the Collateral or the date after which any private sale or other disposition is to be made, and at any such sale, Franchisor may purchase the Collateral. Within ten (10) days of Franchisor's demand, the Franchisee agrees to execute and deliver to Franchisor financing statements to such other documents as may be required to perfect the security interest of Franchisor in the Collateral.

11.2 **Interest** All amounts owing by the Franchisee to Franchisor or its affiliates hereunder from time to time shall bear interest after the due date until paid in full at the lesser of the rate of eighteen percent (18%) per annum, or the highest legal rate allowed by law. The acceptance of any interest payment shall not be construed as a waiver by Franchisor of its rights in respect of the default giving rise to such payment and shall be without prejudice to Franchisor's right to terminate this Agreement as a result of such default.

11.3 **Indemnity** The Franchisee agrees, during and after the term of this Agreement, to indemnify Franchisor against all loss, damage, liability, cost and expense incurred by Franchisor as a result of any act or omission on the part of the Franchisee, its directors, officers, employees or agents, and against all claims, damages, suits or rights of any person arising out of the operation of the Gateway Newstands.

11 4 **Independent Contractor** The Franchisee is an independent contractor, and nothing herein shall be construed so as to constitute the Franchisee a partner, joint venturer, agent or representative of Franchisor for any purpose whatsoever. The Franchisee shall use his/her own name in all transactions and shall clearly indicate that he/she is acting on his/her own behalf and not for Franchisor.

11 5 **Entire Agreement** This Agreement constitutes the entire agreement among the parties with respect to its subject matter and supersedes all previous agreements and understandings between the parties. No representations, inducements, promises or agreements, oral or written, express or implied, between the parties not embodied herein shall be of any force or effect, provided that nothing in this Agreement or any related agreement is intended to disclaim the representations Franchisor has made in the Franchise Disclosure Document delivered to Franchisee. This Agreement may only be amended by a written document signed by all parties.

11 6 **Severability** If any provision of this Agreement is invalid, illegal or incapable of being enforced by reason of any rule of law or public policy, such provision shall be severed. All other provisions of this Agreement shall remain in full force and effect. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of or some other action with regard to the termination of, or refusal to renew, this Agreement than is required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof. Such modifications to this Agreement shall be effective only in such jurisdiction and shall be enforced as originally made and entered into in all other jurisdictions.

11 7 **Waiver** Any party may by written instrument unilaterally waive any obligation of or restriction upon the others under this Agreement. No acceptance by a party of any payment by another and no failure, refusal or neglect to exercise any right under this Agreement or to insist upon full compliance by such other party with its obligations hereunder shall constitute a waiver of any provision of this Agreement. The rights of Franchisor hereunder are cumulative and no exercise or enforcement by Franchisor of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor of any other right or remedy hereunder or which Franchisor is otherwise entitled by law to enforce.

11 8 **Set-Off** The Franchisee shall not, on grounds of the alleged non-performance by Franchisor of any of its obligations, withhold payment of any amounts due to Franchisor.

11 9 **Joint and Several Covenants** The covenants of the Franchisee and owners of the Franchisee in this Agreement are made by all such persons on a joint and several basis.

11 10 **Headings** The separation of this Agreement into Articles and Sections, and the provision of a table of contents and headings, is for convenience of reference only and shall not affect the interpretation of this Agreement.

11 11 **Calculation of Time** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is

the reference date in calculating such period shall be excluded. If the last day of such period is a non-business day, the period in question shall end on the next business day.

11.12 **Notice** All notices, requests, demands or other communications ("Notices") shall be given in writing by registered, certified or electronic mail or by telegram, if to Franchisor at 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, Attention: the President, and if to the Franchisee or its owners at the Premises or at such other address as may be given by one of them to another in writing from time to time. Such Notices shall be deemed to have been delivered on the third business day following the date of mailing or on the date the telegram is sent, as the case may be.

11.13 **Force Majeure** Franchisor shall not be responsible to the Franchisee for non-performance or delay in performance occasioned by any causes beyond its control, including without limitation, acts or omissions of the Franchisee, acts of civil or military authority, strikes, lockouts, embargos, insurrections, acts of God, or delay in obtaining or inability to obtain materials or supplies. If any such delay occurs, any applicable time period shall be automatically extended for a period equal to the time lost, provided that Franchisor makes reasonable efforts to correct the reason for such delay and gives to the Franchisee prompt notice of any such delay.

11.14 **Interpretation, Governing Law and Binding Effect** Time shall be of the essence of this Agreement. In this Agreement, the use of the singular number shall include the plural and vice versa, the use of any gender shall include all genders and the word "person" shall include an individual, a trust, a partnership, a corporation or governmental agency, an association and any other incorporated or unincorporated organization or entity. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1501 *et seq.*) or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the state in which the Gateway Newstands is located. Subject to the restrictions on assignment herein, this Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

11.15 **Costs and Attorneys' Fees** If a claim for amounts owed by the Franchisee to Franchisor or any of its affiliates is asserted in any judicial proceeding, or if Franchisor is required to enforce this Agreement in a judicial proceeding, Franchisor shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accounting fees and attorneys' fees. Attorneys' fees shall include, without limitation, reasonable legal fees, whether incurred prior to, or in preparation for or contemplation of the filing of any written demand or any claim, action, hearing or proceeding to enforce the obligations of Franchisor under this Agreement or any other related agreement between the parties.

ARTICLE 12 – **ACKNOWLEDGMENTS**

12.1 **Investigation** The Franchisee (and its owners, if applicable) acknowledge that they have conducted an independent investigation of the business licensed hereunder, recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of the Franchisee. Franchisor expressly disclaims the making of and the Franchisee (and its owners, if applicable) acknowledges that

Franchisee has not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement

12.2 **Volume Rebates** The Franchisee agrees that any volume rebate, discount, allowance or other concession received by Franchisor from any supplier of the Franchisee or other franchisees of the System as a result of purchases made by such Franchisees shall be either contributed to the funds of Franchisor or passed on from time to time to the Franchisee, in the sole discretion of Franchisor, and the Franchisee hereby authorizes Franchisor to receive such funds for such purpose

12.3 **Independent Advice** The Franchisee acknowledges that the Franchisee has received, has had ample time to read, and has read this Agreement and fully understands its provisions. The Franchisee and its owners acknowledge that they had an adequate opportunity to be advised and have been advised by legal and other advisors of their own choosing regarding all pertinent aspects of this Agreement and the franchise contemplated hereby

12.4 **Compliance With Anti-Terrorism Laws** The Franchisee (and its owners, if applicable) agree to comply with and/or to assist Franchisor to the fullest extent possible in its efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, the Franchisee (and its owners, if applicable) certify, represent, and warrant that none of its property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that the Franchisee (and its owners, if applicable) are not otherwise in violation of any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other applicable, present and future laws, ordinances, regulations, policies, lists and any other requirements of any federal, state, provincial, local or other governmental authority of the U S A or Canada addressing or in any way relating to terrorist acts and acts of war

IN WITNESS WHEREOF the parties have duly executed this Agreement

TOBMAR INVESTMENTS INTERNATIONAL INC

By _____
Title _____
Date _____

FRANCHISEE

Print Name _____
Date _____

SCHEDULE "A"

Part 1 - Location

Part 2 - Initial Franchise Fee

<u>Amount Due To Franchisor From Franchisee</u>		<u>Date By Which Franchisee Must Make Payment</u>
(1)	\$10,000 00 -	Payment (1) upon execution of this Agreement
(2)	Balance - \$ _____	Payment (2) upon the substantial completion of the construction of the Gateway Newstands

Part 3 - Monthly Franchise Fee

Schedule B

FRANCHISOR'S WORK

Pursuant to Article 4 2 of this Agreement, Franchisor shall make the Improvements to the Premises. All such work shall be completed by Franchisor on behalf of the Franchisee and all costs and expenses with respect thereto shall be borne by the Franchisee and paid for in advance on or before the dates set out hereafter. The Franchisee shall also be responsible for any sales, use or similar tax imposed on any payment by the Franchisee hereunder, which may be added to any payment due or payable by Franchisee hereunder.

All work performed by Franchisor shall be performed in accordance with Franchisor's choice of materials, equipment and contractors and otherwise within Franchisor's sole discretion.

Franchisor shall not be in default of any obligations for any work to be performed by it if such default is due to any strike, lockout, war, military authority, rebellion, or civil commotion, fire, or explosion, flood, wind, water, earthquake, act of God or other casualty or by reason of being unable to obtain material, goods, equipment, services, or by reason of government regulations or control or other cause beyond Franchisor's control.

Payment Schedule

Amount Due
To Franchisor
From Franchisee

Date By Which Franchisee Must Make Payment

- | | | |
|-------------|---|---|
| (1) 25% | | |
| \$ _____ | - | Payment (1) on or before the date the plans are completed |
| (2) \$25% | | |
| \$ _____ | - | Payment (2) upon issuance of permits and the 50% completion of construction |
| (3) Balance | | |
| \$ _____ | - | Payment (3) on or before the date work on the site is substantially completed |

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____
day of _____, 20____, by _____

In consideration of, and as an inducement to, the execution of that certain FRANCHISE AGREEMENT of even date herewith (the "Agreement") by Tobmar Investments International Inc (the "Franchisor"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements

Each of the undersigned consents and agrees that (1) his/her direct and immediate liability under this guaranty shall be joint and several, both with Franchisee and among other guarantors, (2) he/she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so, (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person, (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement, and (5) this guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers

Each of the undersigned waives (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this guaranty, and (ii) acceptance and notice of acceptance by Franchisor of his/her undertakings under this guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he/she may be entitled

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature on the same day and year as the Agreement was executed

<u>GUARANTOR(S)</u>	<u>PERCENTAGE OF OWNERSHIP OF FRANCHISEE</u>
_____	_____ %
_____	_____ %
_____	_____ %

EXHIBIT C

SUBLEASE

SUBLEASE AGREEMENT

THIS SUBLEASE ENTERED INTO THIS ____ **DAY OF** _____,
_____, **BY AND BETWEEN**

TOBMAR INTERNATIONAL INC
(the "Sublessor")

AND

(the "Sublessee")

RECITALS

WHEREAS, an affiliate of the Sublessor, as franchisor, and the Sublessee, as franchisee, have entered into that certain Franchise Agreement dated _____, (the "Franchise Agreement"), which Franchise Agreement is incorporated herein by reference, for the operating of a Gateway Newstands retail outlet to be located at _____ ("Gateway Newstands"), and

WHEREAS, the Sublessor, as tenant, and _____ (the "Landlord"), as the landlord, entered into that certain lease for the premises of the Gateway Newstands dated _____ (the "Lease"), a copy of which is attached hereto and incorporated herein by reference, insofar as the same contains duties and obligations which the Sublessee must perform or covenants with which the Sublessee must comply, and

WHEREAS, the Sublessee desires to sublease the premises of the Gateway Newstands from the Sublessor and the Sublessor desires to sublease the same to the Sublessee, all on the terms and conditions herein contained

NOW, THEREFORE, in consideration of the premises, the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Sublessor and the Sublessee do hereby mutually agree as follows

1 **DESCRIPTION** This Sublease shall be for the premises of the Gateway Newstands described as follows _____

_____ (the "Premises")

2 **GRANT OF SUBLEASE** The Sublessor hereby subleases the Premises to the Sublessee on the terms and conditions hereinafter set forth

3 **TERM, TERMINATION AND DEFAULT, HOLDOVER**

A **Term** Subject to the Sublessor's right to terminate this Sublease as herein provided, the term of this Sublease shall commence as of the commencement date of the Lease and shall end one (1) day prior to the expiration of the initial term of the Lease

B **Termination and Default** Notwithstanding anything to the contrary herein or elsewhere expressed or implied, the Sublessor shall have the right to terminate this Sublease upon written notice thereof to the Sublessee upon the occurrence of any one or more of the following events or conditions

(1) Any failure by the Sublessee to pay any rental or other amount due hereunder when and as the same may be due and payable and such failure continues for a period of three (3) days after written notice thereof is delivered to the Sublessee,

(2) Any failure by the Sublessee to comply with any other provision hereunder and such failure continues for a period of seven (7) days after written notice thereof is delivered to the Sublessee,

(3) Any action or inaction by the Sublessee, or the sufferance of any act or condition by the Sublessee, which would constitute an event of default by the tenant under the Lease, regardless of whether or not the Landlord seeks to enforce the applicable default provision of the Lease,

(4) If Sublessee submits on three (3) or more occasions during any twelve month period any report required by Paragraph 4E hereof which understates the gross sales of the Gateway Newstands by two or more percent (2%) or fails to submit any such report on three (3) or more occasions during any twelve month period, or

(5) If the Franchise Agreement expires or is terminated for any reason

C **Notice of Termination** Any notice of termination authorized hereunder shall be effective upon its delivery to the Sublessee, shall be given in writing and shall be deemed delivered (i) one (1) day after the date of deposit, if the same is deposited with a commercial delivery service which guarantees next day delivery, or (ii) three (3) days after the date of deposit, if the same is deposited with the U S or Canadian Postal Service, certified or registered mail and addressed to the appropriate party at the address set forth above, or to such other address as such party shall have informed the other by like notice The Sublessee hereby waives the benefit of any otherwise controlling statute or law with respect to notices of default and/or cure periods hereunder to the fullest extent the same may be permitted by law

D Surrender Upon the termination or expiration of this Sublease or the Franchise Agreement for any reason whatsoever, the Sublessee shall immediately surrender the Premises to the Sublessor in the same condition as existed on the commencement of this Sublease, reasonable wear and tear excepted, and shall immediately remove from the Premises all unattached personal property, fixtures and equipment owned by the Sublessee and in which the Sublessor has no security interest, lien or other claim, provided, however, that all such personal property, fixtures and equipment shall be and remain subject to (i) the Landlord's rights under the Lease, and (ii) Sublessor's rights under the Franchise Agreement

E Holdover by Sublessee In the event that the Sublessee remains in possession of the Premises or fails to remove his property from the Premises after the expiration of this Sublease or termination of this Sublease for any reason and without the execution of a new agreement under which he may lawfully use and occupy the same, the Sublessee shall pay the Sublessor such sums as the Lease provides for holdover by a tenant

F Sublessor's Right to Cure Defaults At any time during the term of this Sublease and without notice to the Sublessee, the Sublessor may, but shall not be obligated to, cure or otherwise discharge any default by the Sublessee under this Sublease. Any and all costs or expenses which Sublessor may expend or incur for this purpose shall be immediately due and payable in full without further notice or communication to the Sublessee of any type, kind or nature

G Sublessor's Rights and Remedies In addition to any other rights or remedies as herein provided, Sublessor shall have the rights and remedies of the Landlord under the Lease (except as otherwise specifically modified by this Sublease)

4 **RENT**

A Base Rent The Sublessee shall pay to the Sublessor or to the Landlord directly as a minimum base rent for the Premises the base rent payable under the Lease (the "Base Rent"), which amount (i) shall be payable in advance, without notice, demand, deduction, counterclaim or set-off and (ii) shall be prorated for any calendar month during which the Sublessee occupied the Premises for only a portion of the month

B Additional Rent and Charges In addition to all other specified rents, the Sublessee shall pay the Sublessor or the Landlord directly all other additional rent or other charges which may be payable by the Sublessor to the Landlord under the Lease, including without limitation, percentage rent, taxes, insurance, deposits, common area maintenance charges, association dues and utilities

C Payment Date The Sublessee shall pay the Base Rent and all additional rent and charges, at least five (5) days in advance of the date on which any payment is required of Sublessor under the Lease. At the request of the Sublessor, Sublessee shall deliver to the Sublessor in advance post-dated checks for Base Rent due for each one (1)

year period of this Sublease which the Sublessor shall be authorized to deposit on the due dates for the payment of Base Rent

D Interest on Late Payments All rent payments and other amounts which the Sublessee is required to pay hereunder to the Sublessor or to the Landlord directly shall bear interest from and after their respective due dates until paid in full at the lesser of (i) eighteen percent (18%) per annum and (ii) the highest legal rate allowed by law

E Reports By the tenth (10) day of each calendar month of the Term, Sublessee shall furnish to Sublessor in form from time to time prescribed by Sublessor a statement of the "Gross Sales" of the Gateway Newstands for the previous calendar month and certified by the chief financial officer of the Sublessee, together with such supporting information as Sublessor may require "Gross Sales" means the entire amount of the actual sales price, whether for cash, credit or otherwise, of all sales of goods and services in respect of the Gateway Newstands and all other receipts whatever from all business conducted upon or originating from the Premises, including the proceeds of any business interruption insurance received by Sublessee with respect to the Gateway Newstands

F Audit Sublessor shall have the right, at any time during normal business hours and without prior notice to Sublessee, to inspect or cause to be inspected and audited all business, bookkeeping and accounting records of Sublessee Sublessee shall fully co-operate with representatives of Sublessor and independent accountants hired by it to conduct any such inspection or audit

5 SECURITY DEPOSIT Sublessee shall deposit with Sublessor upon execution of this Sublease a security deposit in the amount of _____ as security for Sublessee's faithful performance of Sublessee's obligations under this Sublease If Sublessee fails to pay rent or other charges due under this Sublease, or otherwise defaults with respect to any provision of this Sublease, Sublessor may use, apply or retain all or any portion of the deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Sublessor may become obligated by reason of Sublessee's default, or to compensate Sublessor for any loss or damage which Sublessor may suffer thereby, without waiver of any other rights it may have hereunder If Sublessor so uses or applies all or any portion of the deposit, Sublessee shall within ten (10) days after written demand therefor deposit cash with Sublessor in an amount sufficient to restore the deposit to the full amount stated above and Sublessee's failure to do so shall be a material breach of the Sublease Sublessor shall not be required to keep the deposit separate from its general accounts If Sublessee performs all of Sublessee's obligations under this Sublease, the deposit, or so much of the deposit as has not been applied by Sublessor, shall be returned, without payment of interest or other increment for its use to Sublessee at the expiration of the term of this Sublease and after Sublessee has vacated the Premises No trust relationship is created herein between Sublessor and Sublessee with respect to the Security deposit

6 **USE OF PREMISES** The Premises shall be used exclusively for the purpose of operating a Gateway Newstands retail outlet in accordance with the Franchise Agreement, the Lease and all applicable laws, regulations and ordinances and for no other purpose

7 **OBLIGATIONS** As between the parties hereto, the Sublessee hereby assumes and agrees to be bound by the covenants and agreements set forth in the Lease and by any terms and limitations imposed upon the Sublessor as the tenant thereunder. Notwithstanding any contrary term or provision herein contained or set forth in the Lease, it is hereby expressly agreed that (i) the terms of this Sublease do not grant the Sublessee any rights of first refusal, any options to purchase, or any extensions or renewal rights with respect to the Lease, and (ii) the Sublessee shall not use or occupy the Premises in a manner contrary to the Franchise Agreement

8 **MAINTENANCE AND REPAIRS, DESTRUCTION AND RELOCATION**

A **Maintenance** During the term hereof and at the Sublessee's sole cost and expense, the Sublessee shall maintain the Premises in compliance with the Franchise Agreement, the Lease, and all applicable laws, ordinances, codes, rules and regulations

B **Repairs and Reconstruction** The Sublessee shall promptly and at his own expense repair any damage or destruction to the Premises which occurs during the term of this Sublease. The repairs shall be completed to conform the Premises to the then-current standards of layout and design for new Gateway Newstands retail outlets. All such repairs shall be scheduled, planned, approved, made and completed in accordance with the Franchise Agreement and the Lease

9 **INSURANCE** The Sublessee shall, at his sole cost and expense, obtain and maintain the insurance policies required by the Franchise Agreement (or by the Sublessor pursuant thereto) and the Lease with respect to the Premises and the Gateway Newstands. The Sublessee expressly agrees to be bound by all of the terms of the Franchise Agreement and the Lease with respect to such insurance coverage requirements, including without limitation the duty to name the Sublessor and the Landlord as additional insureds and/or loss payees as their respective interests may appear

10 **ASSIGNMENT**

A **Transfer** The Sublessee shall not sell, transfer, convey, mortgage, sublet, quitclaim, pledge, assign or otherwise grant any party any interest in this Sublease or the Premises, in whole or in part, without the prior written consent of the Sublessor. This Sublease and the Sublessee's interest herein shall not be assignable by operation of law

B **Failure to Obtain Approval** Any attempted or actual transfer (whether by way of an assignment, sublease or otherwise) by the Sublessee without the Sublessor's

prior written consent shall be, null, void and of no force or effect, shall convey no right or interest in the purported transferee and shall constitute a material breach of this Sublease

C **By Sublessor** The Sublessor may at any time assign this Sublease and its rights, privileges, duties and obligations hereunder

D **Indemnity** The Sublessee hereby indemnifies the Sublessor and holds the Sublessor harmless from and against all claims and demands of any type, kind or nature made by any third party which arise out of or are in any manner connected with the Sublessee's use and occupancy of the Premises in accordance with this Sublease

E **Liens and Obligations** The Sublessee shall not create or suffer the existence of any lien or obligation against Sublessee, the Premises, the Sublessor or the Landlord which arises out of the making of repairs or installing material, fixtures or equipment at or on the Premises

11 **LEGAL PROCEEDINGS** In the event that the Sublessor commences any legal proceeding to enforce this Sublease against the Sublessee and/or remove the Sublessee and his property from the Premises, Sublessee shall not assert any counterclaims or similar allegations as a defense to any such proceeding, it being the intention of the Sublessor and the Sublessee that such counterclaims shall be brought against the Sublessor, if at all, in a separate legal proceeding. The Sublessee shall pay all costs and expenses incurred by the Sublessor, including legal fees and expenses of litigation, to enforce this Sublease and the rights and privileges evidenced hereby against the Sublessee. Attorneys' fees shall include, without limitation, reasonable legal fees, whether incurred prior to, or in preparation for or contemplation of the filing of any written demand or any claim, action, hearing or proceeding to enforce the obligations of the Sublessee under this Sublease

12 **MISCELLANEOUS**

A **Generally** All provisions set forth in the Franchise Agreement, where appropriate, shall apply to this Sublease, be incorporated herein by reference and bind the Sublessor and the Sublessee as if the same were set forth herein

B **Conflict Between the Terms of the Lease and this Sublease** As between the Sublessor and the Sublessee, in the event there is a conflict between the terms of the Lease and this Sublease, the terms of this Sublease shall control

C **Survival** Any provision of this Sublease and/or the Franchise Agreement which imposes obligations which survive the termination or expiration hereof, including but not limited to Paragraph 3(E) hereof, shall survive such termination or expiration

D **Accord and Satisfaction** Only full payment of any amount shall satisfy the Sublessee's payment obligations hereunder. No endorsement or statement on any check or any letter accompanying any check or payment made hereunder shall be deemed or

construed as an accord and satisfaction of the full amount due and Sublessor may accept such check or payment without prejudice to the Sublessor's right to recover the balance of such rent or pursue any remedy which would otherwise be available

E **Applicable Law** This Sublease shall be governed by the laws of the State in which the Premises is located

IN WITNESS WHEREOF, the Sublessor and the Sublessee have executed this Sublease all as of the day and year first above written

TOBMAR INTERNATIONAL INC

By _____
Title _____
Date _____

SUBLESSEE

Print Name _____
Date _____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____
day of _____, 20____, by _____

In consideration of, and as an inducement to, the execution of that certain SUBLEASE AGREEMENT of even date herewith (the "Agreement") by Tobmar International Inc ("TII"), each of the undersigned hereby personally and unconditionally (a) guarantees to TII, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Sublessee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities

Each of the undersigned consents and agrees that (1) his/her direct and immediate liability under this guaranty shall be joint and several, both with Sublessee and among other guarantors, (2) he/she shall render any payment or performance required under the Agreement upon demand if Sublessee fails or refuses punctually to do so, (3) such liability shall not be contingent or conditioned upon pursuit by TII of any remedies against Sublessee or any other person, (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which TII may from time to time grant to Sublessee or any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement, and (5) this guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Sublessee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers

Each of the undersigned waives (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Sublessee arising as a result of the undersigned's execution of and performance under this guaranty, and (ii) acceptance and notice of acceptance by TII of his/her undertakings under this guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he/she may be entitled

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature on the same day and year as the Agreement was executed

<u>GUARANTOR(S)</u>	<u>PERCENTAGE OF OWNERSHIP OF SUBLESSEE</u>
_____	_____ %
_____	_____ %
_____	_____ %

EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENTS

ASSIGNMENT AND ASSUMPTION AGREEMENT
TOBMAR INVESTMENTS INTERNATIONAL INC

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made and entered into this _____ day of _____, _____, by and between TOBMAR INVESTMENTS INTERNATIONAL INC, a Nevada corporation, with its principal offices at 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1 ("Franchisor"), _____ ("Assignor") and _____, a _____ corporation ("Assignee")

WHEREAS, Franchisor and Assignor entered into a certain Franchise Agreement dated _____, _____ (the "Franchise Agreement") whereby Assignor was given the right and assumed the obligation to operate a Gateway Newstands retail outlet at _____ (the "Gateway Newstands"),

WHEREAS, Assignor has organized and incorporated Assignee for the convenience and purpose of ownership and operation of the Gateway Newstands,

WHEREAS, Assignor desires to assign his/her rights and obligations under the Franchise Agreement to Assignee pursuant to and in accordance with the provisions of the Franchise Agreement, and

WHEREAS, Franchisor is willing to consent to the assignment of the Franchise Agreement to Assignee, subject to the terms and conditions of this Assignment and Assumption Agreement, including without limitation, Assignor's agreement to guarantee the performance by Assignee of its obligations under the Franchise Agreement and to continue to be bound by all of the provisions of the Franchise Agreement

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows

1 **Assignment** Assignor hereby assigns and transfers over to Assignee all of his/her right, title and interest in and to the Franchise Agreement, effective as of the date hereof

2 **Assumption** Assignee hereby assumes all of Assignor's obligations, agreements, commitments, duties and liabilities under the Franchise Agreement, and agrees to be bound by and observe and faithfully perform all of the obligations, agreements, commitments and duties of the Franchisee thereunder with the same force and effect as if the Franchise Agreement were originally written with Assignee as Franchisee

3 **Obligations of Assignor** Assignor agrees that he/she shall continue to be bound by the terms and conditions of the Franchise Agreement, including without limitation, the provisions contained in Sections 6 2 (Full Time and Attention), and 8 2 (Transfer by Franchisee) and Article 10 (Restrictive Covenants) thereof, and that nothing contained herein shall be

deemed to relieve him of any of his obligations under the Franchise Agreement. Assignor further agrees to, and by this instrument does hereby, guarantee the performance by Assignee of all of its obligations, commitments, duties and liabilities under the Franchise Agreement. Without limiting the foregoing, Assignor irrevocably and unconditionally guarantees to Franchisor (i) that the Assignee will pay all amounts to be paid and otherwise comply with all provisions of the Franchise Agreement or any other agreement with Franchisor or its affiliates concerning the operation of the Gateway Newstands, and (ii) that if Assignee defaults in making any such payments or complying with any such provisions, Assignor shall pay forthwith upon demand all amounts due and owing Franchisor and all damages that may arise as a result of any such non-compliance. If Assignor shall be more than one person, the obligations of Assignor hereunder shall be joint and several.

4 **Enforcement of Assignor's Obligations** In the enforcement of any of its rights against Assignor, Franchisor may proceed as if the Assignee were the primary obligor under the Franchise Agreement. Assignor waives any right to require Franchisor to first proceed against Assignee or to proceed against or exhaust any security (if any) held by Franchisor or to pursue any other remedy available to it before proceeding against Assignor. No dealings between Franchisor and Assignee shall exonerate, release, discharge or in any way reduce the obligations of the Assignor hereunder, in whole or in part and in particular and without limiting the generality of the foregoing, Franchisor may modify or amend the Franchise Agreement, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Franchise Agreement, or any obligation of Assignee, take or release any securities or other guarantees for the performance by Assignee of any of its obligations, and otherwise deal with Assignee as Franchisor may see fit without affecting, lessening or limiting in any way the liability of the Assignor. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or other act of insolvency by Assignee and notwithstanding any rejection, disaffirmation or disclaimer of this agreement or the Franchise Agreement, Assignor shall continue to be fully liable.

5 **Governing Law** This Agreement shall be governed by the laws of the state in which the Gateway Newstands is located.

6 **Binding Effect** This Assignment and Assumption Agreement shall inure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto as of the day and date first above written

**TOBMAR INVESTMENTS
INTERNATIONAL INC**

By _____
Title _____
Date _____

ASSIGNOR

Print Name _____
Date _____

ASSIGNEE

By _____
Title _____
Date _____

ASSIGNMENT AND ASSUMPTION AGREEMENT
TOBMAR INTERNATIONAL INC

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made and entered into this ____ day of _____, _____, by and between TOBMAR INTERNATIONAL INC, a Nevada corporation, with its principal offices at 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1 ("Sublessor"), _____ ("Assignor") and _____, a _____ corporation ("Assignee")

WHEREAS, Sublessor and Assignor entered into a certain Sublease dated _____, _____ (the "Sublease") whereby Sublessor sublet certain premises as defined in the Sublease (the "Premises") to Assignor and Assignor sublet the Premises from Sublessor,

WHEREAS, Assignor desires to assign his/her rights and obligations under the Sublease to Assignee pursuant to and in accordance with the provisions of the Sublease, and

WHEREAS, Sublessor is willing to consent to the assignment of the Sublease to Assignee, subject to the terms and conditions of this Assignment and Assumption Agreement, including without limitation, Assignor's agreement to guarantee the performance by Assignee of its obligations under the Sublease and to continue to be bound by all of the provisions of the Sublease

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows

1 **Assignment** Assignor hereby assigns and transfers over to Assignee all of his/her right, title and interest in and to the Sublease, effective as of the date hereof

2 **Assumption** Assignee hereby assumes all of Assignor's obligations, agreements, commitments, covenants, warranties, duties and liabilities under the Sublease, and agrees to be bound by and observe and faithfully perform all of the obligations, agreements, commitments, covenants, warranties and duties of the Sublessee thereunder with the same force and effect as if the Sublease were originally written with Assignee as Sublessee

3 **Obligations of Assignor** Assignor agrees that he/she shall continue to be bound by the terms and conditions of the Sublease, and that nothing contained herein shall be deemed to relieve him/her of any of his/her obligations under the Sublease. Assignor further agrees to, and by this instrument does hereby, guarantee the performance by Assignee of all of its obligations, commitments, covenants, warranties, duties and liabilities under the Sublease. Without limiting the foregoing, Assignor irrevocably and unconditionally guarantees to Sublessor (i) that the Assignee will pay all amounts to be paid and otherwise comply with all provisions of the Sublease or any other agreement with Sublessor or its affiliates concerning the sublease of the Premises, and (ii) that if Assignee defaults in making any such payments or complying with any such provisions, Assignor shall pay forthwith upon demand all amounts due and owing Sublessor and all damages that may arise as a result of any such non-compliance. If

Assignor shall be more than one person, the obligations of Assignor hereunder shall be joint and several

4 **Enforcement of Assignor's Obligations** In the enforcement of any of its rights against Assignor, Sublessor may proceed as if the Assignee were the primary obligor under the Sublease. Assignor waives any right to require Sublessor to first proceed against Assignee or to proceed against or exhaust any security (if any) held by Sublessor or to pursue any other remedy available to it before proceeding against Assignor. No dealings between Sublessor and Assignee shall exonerate, release, discharge or in any way reduce the obligations of the Assignor hereunder, in whole or in part and in particular and without limiting the generality of the foregoing, Sublessor may modify or amend the Sublease, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Sublease, or any obligation of Assignee, take or release any securities or other guarantees for the performance by Assignee of any of its obligations, and otherwise deal with Assignee as Sublessor may see fit without affecting, lessening or limiting in any way the liability of the Assignor. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or other act of insolvency by Assignee and notwithstanding any rejection, disaffirmance or disclaimer of this agreement or the Sublease, Assignor shall continue to be fully liable.

5 **Binding Effect** This Assignment and Assumption Agreement shall inure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto as of the day and date first above written

TOBMAR INTERNATIONAL INC

By _____

Title _____

Date _____

ASSIGNOR

Print Name

Date

ASSIGNEE

By _____

Title _____

Date _____

EXHIBIT E

DISCLOSURE ACKNOWLEDGEMENT STATEMENT

DISCLOSURE ACKNOWLEDGMENT STATEMENT

TOBMAR INVESTMENTS INTERNATIONAL INC ("Franchisor") through the use of this document, desires to ascertain that _____
("Franchisee") fully understands and comprehends that the purchase of a _____

franchise is a business decision, complete with its associated risks, and that it is the company policy of the Franchisor to verify that the Franchisee is not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by the Franchisor

1 The Franchisee recognizes and understands that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including the skills and abilities of the Franchisee, the hours worked by the Franchisee, competition, interest rates, the economy, inflation, store location, operation costs, lease terms and costs and the market place The Franchisee hereby acknowledges its willingness to undertake these business risks

2 The Franchisee acknowledges receipt of the following documents _____ The
Franchisee acknowledges that he/she has had the opportunity to personally and carefully review each document Furthermore, the Franchisee has been advised to seek professional assistance, to have professionals review the documents, and to consult with the Franchisee regarding the risks associated with the purchase of the franchise

3 The Franchisee agrees and states that the decision to enter into this business risk is in no manner predicated upon any oral representations, assurances, warranties, guarantees or promises made by the Franchisor as to the likelihood of success of the franchise The Franchisee further acknowledges that he/she has not received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings If the Franchisee believes that he/she has received any information concerning actual, average, projected or forecasted franchise sales profits or earnings, please describe these in the space provided below or write "None"

Acknowledged and Accepted this ____ day of _____, _____

FRANCHISEE

EXHIBIT G
LIST OF FRANCHISEES

U S LIST OF FRANCHISEES

CALIFORNIA

Gateway Newstands

Sanwa Bank Building
601 South Figueroa St
Los Angeles, CA 90017
(213) 623-9454 (store)

Franchisee

Chan Soo Kim
20727 Lugano Way
Northridge, CA
(818) 984-3771 (cell)

Gateway Newstands

Warner Center
21650 Oxnard Street, 1st Floor
Woodland Hills, CA 91367
(818) 347-4433 (store)

Franchisee

Jeong Phil Doh
21650 Oxnard Street
Suite 125
Woodlands, CA 91367
(213) 400-4888 (home)

Gateway Newstands

Hollywood & Highland
6801 Hollywood Blvd
Hollywood, CA 90028
(323) 460-7140 (store)

Franchisee

Laura Kim and In Whan Oh
639 S Mansfield Avenue
Los Angeles, CA 90036
(323) 933-3543 (home)

Gateway Newstands

Topanga Mall
Space 9215
Canoga Park, CA 91303
(818) 887-1214 (store)

Franchisee

Sally Chung
11812 Preston Trails Avenue
Porter Ranch, CA 91326
(818) 523-0518 (home)

Gateway Newstands

5900 Wilshire Blvd
Los Angeles, CA
(323) 932-9363 (store)

Franchisee

Jeong Phil Doh
21650 Oxnard Street, Suite 125
Woodlands, CA 91367
(213) 400-4888 (home)

Gateway Newstands

South Coast Plaza Retail Plaza
3333 Bristol Street
Costa Mesa, CA 92626
(714) 662-5887 (store)

Franchisee

Dukho Donovan Kim
3183 Wilshire Blvd Suite 197A
Los Angeles, CA 90010
(213) 536-4278 (home)

DISTRICT OF COLUMBIA

Gateway Newstands

International Square
1825 Eye Street NW
Washington, DC
(202) 296-3059 (store)

Franchisee

Hyun Sun Park
9566 Mountwood Drive
Manassas, VA 20110
(571) 292-1070 (home)

Gateway Newstands

L'Enfant Plaza
EastPromenade Level
955 Lenfant S W , Unit 804
Washington, D C 20024
(202) 554-2109 (store)

Franchisee

LP Newsstand LLC
Vishnu Patel
160 Evans Avenue
Albertson, New York 11507

FLORIDA

Gateway Newstands

100 N Tampa
Tampa, Florida 33602
(813) 228-0259 (store)

Franchisee

Shashani Corporation
(Hemant Patel)
2903 Wildtree Drive, Apt 204
Riverview, Florida 33569
(813) 664-1631 (home)

Gateway Newstands

Sun Trust Financial Centre
(Landmark Centre)
Suite 102, 401 Jackson Street
Tampa, Florida 33602
(813) 227-9225 (store)

Franchisee

Hannah Enterprises of Lakeland Inc
Veejay Patel
2723 Berkford Circle
Lakeland, Florida 33810
(863) 409-9279 (home)

GEORGIA

Gateway Newstands

Phipps Plaza
3500 Peachtree Road, NE
Atlanta, Georgia 30326
(404) 466-1999 (store)

Franchisee

Hona Inc
Seung Auk Moon
1723 Holcomb Lake Road
Marietta, Georgia 30062
(770) 971-0463 (home)

Gateway Newstands

Corporate Centre One
One Concourse Parkway
Atlanta, Georgia 30328
(404) 452-9794 (store)

Franchisee

So Corp
(Nam C So)
2836 Chapman Ct
Marietta, GA 30066
(770) 514-7064 (home)

Gateway Newstands

One Alliance Center
3500 Lenox Road
Atlanta, GA 30326
(404) 846-3318 (store)

Franchisee Young Soo Lee and

Young Sun Lee
5075 Avala Park Lane
Norcross, GA 30092
(770) 416-1008 (home)

Gateway Newstands

33 Marietta Street
Atlanta, Georgia 30303
(404) 420-7447 (store)

Franchisee

Bhavna Patel
4105 Grayson Place
Decatur, Georgia 30030
(404) 292-9666 (home)

Gateway Newstands

200 Galleria
Atlanta, Georgia 30339
(770) 984-1457 (store)

Franchisee Shaukat A Jivani

515 Orchard Place Circle
Lilburn, Georgia 30047
(678) 380-9015 (home)

Gateway Newstands

Kennesaw State University
3805 Cannton Place NW, Suite 5103
Kennesaw, Georgia 30144
(770) 727-0389 (store)

Franchisee

WKC Enterprises Inc
William McArthur
3622 Ashley Estates
Marietta, GA 30067
(770) 541-0452 (home)

ILLINOIS

Gateway Newstands

311 South Wacker Drive
Chicago, Illinois 60606
(312) 431-0813 (store)

Franchise

Al's Shop Incorporated
Alex Colon
21454 English Drive
Frankfort, Illinois 60423

Gateway Newstandss

Bank of America Building
231 South LaSalle Street
Chicago, Illinois 60604
(312) 578-1005 (store)

Franchisee

Star Newsstand, Inc
Kshama Shah
1545 E Olive Street
Palatine, Illinois 60074
(847) 392-3579 (home)

Niraj Shah

3425 Springdale Ave
Glenview, Illinois 60025
(224) 766-6669 (cell)

Gateway Newstandss

2 North Riverside Plaza
Chicago, Illinois 60606
(312) 207-0012 (store)

Franchisee

Kishor & Atulba Thakkar
8630 S Sayre Ave ,#1
Burbank, Illinois 60459
(630) 369-6732 (home)

Gateway Newstands

Gurnee Mills
6170 West Grand Ave
Chicago, Illinois 60031
(847) 855-0005 (store)

Franchisee

R & M Chicago Inc
(Meetu and Rakesh Luthra)
1400 Margate Drive
Buffalo Grove, Illinois 60089

Gateway Newstandss

The Civic Opera Building
20 North Wacker Drive
Suite 3820
Chicago, Illinois 60606
(312) 553-9337 (store)

Franchisee

Sherali Pirani
2410 W Bastwood
Chicago, Illinois 60625
(312) 334-6914 (home)

Gateway Newstandss

Heitman Centre
180 North LaSalle Street
Chicago, Illinois 60601
(312) 263-0970 (store)

Franchisee

OM Shree Sai Ram Inc
(Alka Patel)
9723 Elms Terrace
Des Plaine, Illinois 60016
(847) 756-0838 (home)

Gateway Newstands

Three Illinois Center
303 East Wacker Drive
Concourse Level
Chicago, Illinois 60601-5212
(312) 861-9511 (store)

Franchisee

Priyank Patel
2622 W Peterson Ave Ste 1A
Chicago, Illinois 60659-4032
(312) 342-8060 (cell)

Gateway Newstands

Harlem-Irving Plaza
4136 1/2 N Harlem Avenue
Norridge, Illinois 60634
(708) 456-9934 (store)

Franchisee

Chetankumar K Shah
9104 N Lincoln Dr , Apt 1D
Desplains, Illinois 60016
(847) 510-5981 (home)

Gateway Newstands

14 West 95th Street
Red Line
Chicago, Illinois 60628
(773) 484-5324 (cell)

Franchisee

Bhavik Patel
4800 N Springfield Ave #202
Chicago, Illinois 60625
(773) 484-5324 (cell)

Gateway Newstands

Arlington Heights CBD Station
45 West Northwest Hwy
Arlington Heights, Illinois 60005
(847) 368-0884 (store)

Franchisee

Shree Neelkanth, Inc
(Dilip Patel)
8065 RFD
Long Grove, Illinois 60047
(847) 949-8565 (home)

Gateway Newstands

175 West Jackson
Chicago, Illinois 60604
(312) 588-0820 (store)

Franchisee

Nayak Properties LLC
(Viral Nayak)
7756 Laverne Avenue
Burbank, Illinois 60456
(312) 929-8136 (home)

Gateway Newstands

Congress Center
525 W Van Buren
Chicago, Illinois 60607
(312) 360-0254 (store)

Franchisee

Radha Newstand Inc (Priyank Patel)
2622 W Peterson Ave Ste 1A
Chicago, Illinois 60659-4032
(312) 360-0254 (cell)

Gateway Newstands
Chicago Transit Authority
Orange Line/Midway
Chicago, Illinois
(773) 735-3505 (store)

Franchisee
Anwar Keshwani
3506 Greenwood Ave
Wilmette, Illinois 60091
(847) 501-0327 (home)

Gateway Newstands
Chicago Transit Authority
Orange Line/Pulaski
2001-05 South Pulaski Road
Chicago, Illinois 60632
(630) 605-9213 (mobile)

Franchisee
Bhanuprasad Natwarlal Naik
8514 South Massasoit Ave
Burbank, Illinois 60459
(708) 425-7885 (home)

Gateway Newstands
Chicago Transit Authority
Orange Line/Western
4901 South Western Avenue
Chicago, Illinois

Franchisee
Jyoti Krishnaraj Rajda
15938 S Leclaire, B210
Oakforest, Illinois 60452
(708) 535-6819 (home)

Gateway Newstands
Chicago Transit Authority
Orange Line/Kedzie
4900 South Kedzie Avenue
Chicago, Illinois

Franchisee Shree Trivani Inc
(Balvanttal M Nagak)
8029 Latrobe Avenue
Burbank, Illinois 60459

Gateway Newstands
Chicago Transit Authority
Orange Line/Halsted
2520 South Archer Avenue
Chicago, Illinois
(312) 515-8550 (store)

Franchisee
SP & AN Inc
(Ali Rez Amiri)
5816 N Sheridan Rd , Apt 5F
Chicago, Illinois 60660
(312) 515-8550 (cell)

Gateway Newstands
The Chicago Options Exchange Building
Area C of First Floor Lobby
400 South LaSalle Street
Chicago, Illinois 60605
(312) 235-0556 (Store)

Franchisee
Raj Shah
6752 N St Louis Avenue
Lincolnwood, Illinois 60712
(773) 732-4402 (cell)

Gateway Newstands
222 South Riverside Plaza, South Lobby
Chicago, Illinois 60606
(312) 714-1140 (store)

Franchisee
Raj Shah
6752 North St Louis Avenue
Lincolnwood, Illinois 60712-3728
(773) 732-4402 (cell)

Gateway Newstands
600 West Chicago Avenue
Chicago, Illinois 60610
(312) 464-0465 (store)

Franchisee West Chicago News LLC
Vishnu Patel
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (cell)

Gateway Newstands
33 North Dearborn
Chicago, Illinois 60602
(312) 345-9866 (store)

Franchisee
Dilip M and Vinod M Parikh
1714 Southbridge Court
Schaumburg, Illinois 60194
(847) 839-3655 (home)

Gateway Newstands
300 South Riverside
Ground Floor
Chicago, Illinois 60606
(312) 884-0034 (store)

Franchisee
Kwang Min Kye
6460 Double Eagle Dr #605
Woodridge, Illinois 60517
(813) 438-9495 (cell)

Gateway Newstands
227 West Monroe
Chicago, Illinois
(312) 332-8711 (store)

Franchisee
Alpesh Patel
6411 Dee Rd
Des Plaines, Illinois 60016
(847) 998-9840 (home)

Gateway Newstands
10 South LaSalle Street
Suite 1210
Chicago, Illinois 60603
(312) 422-0722 (store)

Franchisee
Govindbhai K Patel
241 West Hickory Street
Kankakee, Illinois 60901
(773) 712-0812 (home)

Gateway Newstands
404 North Wabash Avenue
Chicago, Illinois 60611
(312) 527-5560 (store)

Franchisee
Jai Chehar Grocery Inc
(Vinus Patel)
6041 N Pulaski Rd
Chicago, Illinois 60646
(773) 580-2343 (cell)

Gateway Newstands

Sears/Willis Tower
233 South Wacker Drive
Lower Level, Suite L1-065
Chicago, Illinois
(312) 207-8898 (store)

Franchisee

Raj Shah
6752 North St Louis Ave
Lincolnwood, Illinois 60712
(773) 732-4402 (cell)

Gateway Newstands

233 North Michigan Avenue
Concourse Level, Space C018
Chicago, Illinois 60601
(312) 233-0230 (store)

Franchisee

Raj Shah
6752 North St Louis Ave
Lincolnwood, Illinois 60712
(773) 732-4402 (cell)

Gateway Newstands

Arkes Family Pavilion
676 N Saint Clair St
Chicago, Illinois 60611
(312) 787-0675 (store)

Franchisee

Raj Shah
6752 North St Louis Ave
Lincolnwood, Illinois 60712
(773) 732-4402 (cell)

Gateway Newstands

161 North Clark Street, Suite 175
Chicago, Illinois 60601
(312) 419-1656 (store)

Franchisee

Kshama Shah
1545 E Olive St
Palatine, Illinois 60074
(847) 392-3579 (home)

Gateway Newstands

CME Center
30 South Wacker Drive, Suite PLZ06
Chicago, Illinois 60606
(312) 775-9336 (store)

Franchisee

Kshama Shah
1545 E Olive St
Palatine, Illinois 60074
(847) 392-3579 (home)

Gateway Newstands

Burnham Center
111 West Washington Street, Suite LL15
Chicago, Illinois 60606
(312) 578-1180 (store)

Franchisee

New Ventures II, Inc
(Raj Shah)
6752 North St Louis Ave
Lincolnwood, Illinois 60712
(773) 732-4402 (cell)

Gateway Newstands
Blue Cross & Blue Shield Building
300 East Randolph Street
Chicago, Illinois 60601-5
(773) 771-2590 (store)

Franchisee
(Raj Shah)
6752 North St Louis Ave
Lincolnwood, Illinois 60712
(773) 732-4402 (cell)

Gateway Newstands
One North Franklin
Suite 150
Chicago, Illinois 60606

Franchisee
SP & AN Inc (Ali Reza Amiri)
5816 N Sheridan Rd , Apt 5F
Chicago, Illinois 60660-4904
(312) 515-8550 (cell)

Gateway Newstands
Northwestern Memorial Hospital
Outpatient Care Pavilion
Space OCP02-230, Second Floor
259 East Erie Street
Chicago, Illinois 60611
(312) 475-0880 (store)

Franchisee
Raj Shah
6752 North St Louis Ave
Lincolnwood, Illinois 60712
(773) 732-4402 (cell)

Gateway Newstands
525 West Monroe
Chicago, Illinois

Franchisee
Raj Shah
6752 North St Louis Ave
Lincolnwood, Illinois 60712
(773) 732-4402 (cell)

Gateway Newstands
222 N LaSalle Street
Chicago, Illinois 60601

Franchisee
Raj Shah
6752 North St Louis Ave
Lincolnwood, Illinois 60712
(773) 732-4402 (cell)

Gateway Newstands
190 South LaSalle, Suite 100
Chicago, Illinois 60606
(312) 631-3380 (store)

Franchisee
Raj Shah
6752 North St Louis Ave
Lincolnwood, Illinois 60712
(773) 732-4402 (cell)

Gateway Newstands
123 North Wacker Drive, Suite No L3
Chicago, Illinois 60606
(312) 631-3432 (store)

Franchisee
Amirali Rehamani
6033 N Sheridan Road, Apt 38E
Chicago, Illinois 60660
(773) 771-2590 (cell)

Gateway Newstands

Chicago Transit Authority
Blue Line/Logan Square
2610 N Milwaukee Ave
Chicago, Illinois
(630) 640-7283 (cell)

Franchisee

Sankalp 2, Inc
Rajendrakumar Patel
1216 Calistoga Way
Lawrenceville, Georgia 30043
(478) 461-6050 (cell)

MARYLAND

Gateway Newstands

Domain College Park
3711 Campus Drive, Suite C
College Park, Maryland 20740
(301) 935-4551 (store)

Franchisee

Domain Mart LLC
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (cell)

Gateway Newstands

3 Bethesda Metro Center
7450 Wisconsin Avenue
Bethesda, Maryland
(301) 215-9888 (store)

Franchisee

Bethesda News LLC
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (cell)

MASSACHUSETTS

Gateway Newstands

Burlington Mall
90 Burlington Mall Rd
Burlington, MA 01803
(617) 273-5892 (store)

Franchisee

S & H Mall News Inc
Suman Patel
94 Wilson Street
Norwood, MA 02062
(751) 297-0927 (home)

Gateway Newstands

Northshore Mall
210 Andover Street
Peabody, MA 01960
((978) 531-5079 (store)

Franchisee

Northshore Newstand Inc
Brijesh G Patel
27 Shore Dr , Apt E
Peabody, MA 01960
(781) 297-0927 (home)

Gateway Newstands

Square One Mall
1201 Broadway
Saugus, MA 01906
(781) 231-0310 (store)

Franchisee

Ahmed Waseem
47 Ridge Ave
Sayreville, New Jersey 08872
(732) 432-8232 (home)

Gateway Newstands

Prudential Tower
The Shops at Prudential Center
800 Boylston Street, Center Court
Boston, MA 02199

Franchisee

Uday V Shah
101 Branton Place, Apt 2
Albertson, New York 11507
(516) 746-5220 (home)

MICHIGAN

Gateway Newstands

Great Lakes Crossing

4000 Baldwin Road

Auburn Hills, Michigan 48326

(248) 334-3766 (store)

Franchisee

Skyla, Inc

(Laura Hermiz Roumayah)

29738 Pine Ridge Circle

Farmington Hills, Michigan 48331

(248) 939-0777 (home)

MISSOURI

Gateway Newstands

St Louis Place
200 N Broadway, Suite 100
St Louis, Missouri 63102
(314) 421-2292 (home)

Franchisee

Victor Patel
1056 Indian Creek Drive
O'Fallon, Illinois 62269
(613) 530-5818 (home)

Gateway Newstands

West Port Plaza
519 West Port Plaza
St Louis, Missouri
(314) 548-6572 (store)

Franchisee

Victor Patel
1056 Indian Creek Drive
O'Fallon, Illinois 62269
(613) 530-5818 (home)

NEW JERSEY

Gateway Newstands

Newport Office Center IV
541 Washington Blvd
Jersey City, New Jersey 07310
(201) 963-4700 (store)

Franchisee

P&K Newsstand, Inc
Kanu Patel
153 Hughes Place
Albertson, New York 11507
(516) 747-3179 (home)

Gateway Newstands

Newport Financial Center
109 Town Square Place
Jersey City, New Jersey 07310
(201) 876-1001 (store)

Franchisee

Kanu R Patel
153 Hughes Place
Albertson, New York 11507
(516) 747-1964 (home)

Gateway Newstands

Westin Newport Jersey City
479 Washington Blvd
Jersey City, New Jersey
(201) 626-2900 (ask for Gift Shop)

Franchisee

Kanu R Patel
153 Hughes Place
Albertson, New York 11507
(516) 747-1964 (home)

NEW YORK

Gateway Newstands

Chanin Building
122 East 42nd Street
New York, New York 10168
(212) 681-0833 (store)

Franchisee

Mohammad Ebrahim
1201 Leland Avenue
Bronx, New York 10472
(718) 239-4972 (home)

Gateway Newstands

One New York Plaza
1 Water Street
New York, New York
(212) 785-4071 (store)

Franchisee

Plaza News Inc
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands

101 Park Avenue
New York, New York 10178
(212) 818-1678 (store)

Franchisee

101 Park News LLC
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169

Gateway Newstands

1411 Broadway
New York, New York 10018
(212) 221-7254 (store)

Franchisee

Fashion News LLC
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands

277 Park Avenue, Ground Level
New York, New York 10172
(212) 317-0636 (store)

Franchisee

Park News, Inc
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands

300 Park Avenue
New York, New York 10022
(212) 832-7072

Franchisee

S & T News Inc
Haresh & Renu Gulrajani
138 - 15 Franklin Ave , #426
Flushing, NY, 11355

Gateway Newstands

237 Park Avenue
New York, New York 10017
(212) 681-8486 (store)

Franchisee

Laxmi Newsstand LLC
(Deepti Jani)
162 Fairview Avenue
Jersey City, New Jersey
(201) 432-2163 (home)

Gateway Newstands

575 Fifth Avenue
New York, New York 10017
(212) 949-6120 (store)

Franchisee

Central Fifth
Avenue Newstand LLC (Ashok Patel and
Smita Patel)
86-30 St James Ave , Apt E2
Elmhurst, New York 11373
(718)699-5105 (home)

Gateway Newstands

100 Park Avenue
New York, New York
(212) 889-7003 (store)

Franchisee

A & B Park Avenue
Mona Shah
43-70 Kissena Boulevard, Apt 2B
Flushing New York 11355
(718) 760-2470 (store)

Gateway Newstands

The 633 Third Avenue Condominium
633 Third Avenue
Manhattan, New York
(212)681-9757 (store)

Franchisee

Rajesh Patel
86-42 St James,Apt B12
Elmhurst, New York 11373
(718) 760-2470 (home)

Gateway Newstands

Lincoln Building
60 East 42nd Street, Lobby Store #1
New York, New York 10165
(212) 573-9402 (store)

Franchisee

Indira R Patel
42-24 Gleane Street
Elmhurst, New York 11373
(718) 899-0341 (home)

Gateway Newstands

Equitable Building
787 Seventh Avenue
New York, New York 10019
(212) 489-7003 (store)

Franchisee

Tiru LLC (Jayshree Parikh)
110 44 63rd Road
Forest Hills, New York 11375
(718) 897-7652 (home)

Gateway Newstands
110 William Street
New York, New York 10038
(212) 233-2807 (store)

Franchisee
110 William Stationery, Inc (Dilip Patel)
80-21 138th Street
Briarwood, New York 11435
(917) 754-0140 (home)

Gateway Newstands
1633 Broadway
New York, New York
(212) 581-6828 (store)

Franchisee Paramount News LLC
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands
Roosevelt Field
Old Country Road & Meadow Brook, K103
Garden City, New York 11530
(516) 294-9099 (store)

Franchisee Delite Confectionery Inc
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands
1251 Avenue of the Americas
New York, New York 10020
(212) 764-4304 (store)

Franchisee Shri Hari Newsstand Inc
(Dharmesh Patel)
319 74th Street
North Bergen, NJ 07047
(201) 295-1654 (home)

Gateway Newstands
745 Seventh Avenue
New York, New York 10019
(212) 840-7688 (Store)

Franchisee 745 News LLC
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands
350 Hudson Ave
New York, New York 10014
(212) 366-0333 (store)

Franchisee
Exclusive News LLC
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands
Chelsea Market
75 Ninth Avenue
New York, New York 10011
(917) 885-8586 (Vishnu Cell)

Franchisee
Vishnu Patel
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands
32 Old Slip
New York, New York
(212) 785-8381 (store)

Franchisee
Vishnu Patel
74 Village Drive
Quincy, MA 02169

(917) 885-8586 (Cell)

Gateway Newstands

CBS Building
51 West 52nd Street
New York, New York
(212) 265-2002 (store)

Franchisee

News Café LLC (Vikas Patel)
74 Village Drive
Quincy, MA 02169
(516) 761-8444 (cell)

Gateway Newstands

1285 Avenue of the Americas
Concourse Level
New York, New York 10019
(212) 586-1050 (store)

Franchisee

Vishnu Patel
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands

BMW Building
555 W 57th Street
New York, New York
(212) 956-9829 (store)

Franchisee

Arvind Patel
5 Timber Ridge Road
North Brunswick, NJ 08902
(732) 821-1033 (home)

Gateway Newstands

4 New York Plaza
New York, New York
(212) 747-0003 (store)

Franchisee

Plaza News Café LLC
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands

1211 Avenue of the Americas
New York, New York 10036-8701
(212) 575-0969 (store)

Franchisee

Avenue Newsstand LLC
Vishnu Patel
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands

1350 Avenue of the Americas
New York, New York 10019-4702
(646) 484-5595 (store)

Franchisee

Kanu Patel
10 Roseann Drive
Roslyn, New York 11576
(516) 747-3179 (home)

Gateway Newstands
The Mall at Bay Plaza
100 Baychester Avenue
Suite 302B
Bronx, New York 10475
(718) 862-1234 (store)

Franchisee
BP Newsstand LLC
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands
Paramount Hotel
235 West 46th Street
New York, New York
(212) 1126 (store)

Franchisee
Time Newsstand LLC
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

Gateway Newstands
Kings Plaza Mall
5100 Kings Plaza, K7
Brooklyn, New York
(718) 377-2376 (store)

Franchisee
Kings Plaza Mall Inc
(Ahmed Waseem)
47 Ridge Ave
Sayreville, New Jersey 08872
(732) 432-8232 (home)

Gateway Newstands
Broadway Marketplace GWB
Space W2 5
New York, New York
(NOT YET OPENED)

Franchisee
Kanu Patel
10 Rosanne Drive
Roslyn, New York 11576
(516) 747-1964 (home)

Gateway Newstands
Broadway Marketplace GWB Lotto
Space W1 9
New York, New York
(NOT YET OPENED)

Franchisee
Kanu Patel
10 Rosanne Drive
Roslyn, New York 11576
(516) 747-1964 (home)

Gateway Newstands
World Trade Center
Space #LL1210
Oculus Mezzanine
New York, New York
(NOT YET OPENED)

Franchisee
Raffie Hadi Bhai
418 Old Court House Rd
New Hyde Park, New York 11040
(516) 627-5781 (home)

**Gateway Newstands
Fulton Center
200 Broadway, LL2005
New York, New York 10038
(NOT YET OPENED)**

**Franchisee
Raffie Hadi Bhai
418 Old Court House Rd
New Hyde Park, New York 11040
(516) 627-5781 (home)**

**Gateway Newstands
Fulton Center Platform
200 Broadway, LL1015
New York, New York 10038
(NOT YET OPENED)**

**Franchisee
Raffie Hadi Bhai
418 Old Court House Rd
New Hyde Park, New York 11040
(516) 627-5781 (home)**

NORTH CAROLINA

Gateway Newstands

Founders Hall

Bank of America Corporate Ctr

100 North Tryon Street

Charlotte, North Carolina 28202-4000

(704) 333-0306 (store)

Franchisee

Jae-Young Chang

3101 Williams Rd

Matthews, North Carolina 28105

(704) 847-8954 (home)

Gateway Newstands

Customer Information Center

1525 West W T Harris Blvd

Phase I, Suite 1A1

Charlotte, North Carolina 28288-4000

(704) 717-9700 (store)

Franchisee

M & K Enterprises, Inc

a/k/a Hwa S Kim

9010 Bartlett Road

Charlotte, NC 28227

(704) 545-2359 (home)

Gateway Newstands

Customer Information Center

1525 West W T Harris Blvd

Phase III, Suite 3A1

Charlotte, North Carolina 28288-5407

(704) 717-9800 (store)

Franchisee

M & K Enterprises, Inc

a/k/a Hwa S Kim

9010 Bartlett Road

Charlotte, NC 28227

(704) 545-2359 (home)

OHIO

Gateway Newstands

Tower City Centre
230 West Huron Road
Suite 8503
Cleveland, Ohio 44113-1452
(216) 781-6054 (store)

Franchisee

Shree Krupa, Inc
Ashwin Patel
19705 Stoughton Drive
Strongsville, Ohio 44149
(440) 878-5057 (home)

PENNSYLVANIA

Gateway Newstandss

1818 Market Street
Philadelphia, PA 19103
(215) 564-0994 (store)

Franchisee

Shirish C Patel
1801 Chapel Avenue
Cherry Hills, New Jersey 08002
(609) 489-0319 (home)

Gateway Newstandss

Mellon Bank Center
Lower Level
1735 Market Street & 18th Street, Unit #15
Philadelphia, P A 19103
(215) 972-0742 (store)

Franchisee

Shirish Patel
1801 Chapel Avenue
Cherry Hills, New Jersey 08002
(609) 489-0319 (home)

Gateway Newstands

Septa Building
1234 Market Street
Philadelphia, PA 19107
(215) 564-0994 (store)

Franchisee

CKA1 Enterprises, LLC
(Caroline Abdelmalak)
913 Mennonite Road
Royersford, PA 19468
(484) 931-2212 (home)

TEXAS

Gateway Newstands

1100 Louisanna
Houston, Texas 77002
(713) 571-8040 (store)

Franchisee

Faiza M Jiwan
735 Dulles Avenue
Apt 210
Stafford, Texas 77477
(281) 403-7015 (home)

Gateway Newstands

Allen Center Parking Garage
300 Clay Street
Suite RE74
Houston, Texas 77002
(713) 655-7866 (store)

Franchisee

Asizah Enterprises, Inc
Noor M Kamdar
3114 Waters View Dr
Sugarland, Texas 77478-4474
(281) 265-7866 (home)

Gateway Newstands

Plaza of the Americas
700 North Pearl Street
Suite #N108
Dallas, Texas 75201
(214) 220-3868 (store)

Franchisee

Sikander Pirani
3609 Neiman Rd
Plano, Texas 75025
(972) 377-8036 (home)

Gateway Newstands

Lincoln Center
Two Lincoln Center
5420 LBJ Freeway
Dallas, Texas 75240
(972) 934-3826 (store)

Franchisee

Gatestone Corporation
Jamila Pirani & Sikander Pirani
3609 Neiman Rd
Plano, Texas 75025
(972) 377-8036 (home)

Gateway Newstands

Park Central VII, VIII, & IX
12750 Merit Drive
Dallas, Texas 75251
(972) 980-2460 (store)

Franchisee

Kamal Ali
3631 Waynoka Drive
Carrollton, Texas 75007
(972) 394-9938 (home)

Gateway Newstands

Fountain Place
1445 Ross Avenue
Dallas, Texas
(214) 220-3108 (store)

Franchisee

Gateway Sundry Shop Inc
aka Maryam Ali
1441 Kleber Drive
Carrollton, Texas 75010
(972) 377-8036 (home)

Gateway Newstands
Millennium Center
North Tower
222 West Las Colinas Blvd
Suite 122
Irving, Texas 75039
(972) 556-1510 (store)

Franchisee
Kamal Ali
3631 Waynoka Drive
Carrollton, Texas 75007
(972) 394-9938 (home)

Gateway Newstands
Infomart Building
1950 Stemmons Freeway
Dallas, Texas 75207
(214) 800-2430 (store)

Franchisee
Zulfiqar R Jiwan
313 Cinnamon Lane
Euless, Texas 76039
(817) 267-1560 (home)

Gateway Newstands
Greenway Plaza
Concourse Level, Phase 1
Houston, Texas 77046
(713) 993-0085 (store)

Franchisee
Farida Ali
4518 Topaz Trail
Sugarland, Texas 77479
(832) 419-9491 (home)

Gateway Newstands
The Shops at Houston Center
1200 McKinney
Houston, Texas
(713) 751-1604 (store)

Franchisee
Waqas Khnowaja
5103 Camden Haven Lane
Sugarland, Texas 77479
(281) 778-8820 (home)

Gateway Newstands
One Allen Centre
500 Dallas
Houston, Texas 77002
(713) 658-1033 (store)

Franchisee
Shoaib and Farida Ali
4518 Topaz Trail
Sugarland, Texas 77479
(832) 419-9491 (home)

Gateway Newstands
1725 Hughes Landing
1728 Hughes Landing Blvd
Suite 101
The Woodlands, Texas 77380
(281) 292-6740 (store)

Franchisee
Flavors Enterprises LLC
Sadru A Premji
10202 Garden Glen
Missouri City, Texas 77459
(281) 778-1166 (home)

**Gateway Newstands
One Hughes Landing
1800 Hughes Landing Blvd
Suite 101
The Woodlands, Texas 77380
(NOT YET OPENED)**

**Franchisee
Flavors Enterprises LLC
Sadru A Premji
10202 Garden Glen
Missouri City, Texas 77459
(281) 778-1166 (home)**

**Gateway Newstands
Northpointe Crossing
1501 Northpointe Lane
College Station
Houston, Texas 77840
(NOT YET OPENED)**

**Franchisee
Waqas Khnowaja
5103 Camden Haven Lane
Sugarland, Texas 77479
(281) 778-8820 (home)**

VIRGINIA

Gateway Newstands
Crystal City Shops
1691 Crystal City Shops
Arlington, Virginia
(571) 551-2197 (Store)

Franchisee
CC Newstand LLC
(Vishnu Patel)
74 Village Drive
Quincy, MA 02169
(917) 885-8586 (Cell)

EXHIBIT H

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

CALIFORNIA

Gateway Newstands

Sanwa Bank Building
601 South Figueroa St
Los Angeles, CA 90017

Franchisee

Brian B Cho
11825 Killimore Ave
Northridge, CA 91326
(213) 446-3770 (cell)

Reason for Transfer Resale of Franchise to Franchisee

Date of Transfer December 30, 2016

ILLINOIS

Gateway Newstands

John Hancock Center
875 North Michigan Avenue
Chicago, Illinois 60611
(312) 255-8893 (store)

Franchisee

Raj Shah
6752 North St Louis Avenue
Lincolnwood, Illinois 60712-3728
(773) 732-4402 (cell)

Reason for Termination Early Termination of Lease

Date of Termination October 31, 2016

Gateway Newstands

404 North Wabash Avenue
Chicago, Illinois 60611

Franchisee

OM SAI Durga Inc (Bela J Patel)
970 Yosemite Trail, Apt D
Roselle, Illinois 60172
(630) 893-2299 (cell)

Reason for Transfer Resale of Franchise to Franchisee

Date of Transfer September 14, 2016

Gateway Newstands
One North Franklin
Suite 150
Chicago, Illinois 60606

Franchisee
SP & AN Inc (Ali Reza Amiri)
5816 N Sheridan Rd , Apt 5F
Chicago, Illinois 60660-4904
(312) 515-8550 (cell)

Reason for Transfer Resale of Franchise to Franchisee
Date of Transfer November 3, 2016

Gateway Newstands
Chicago Transit Authority
Red Line, Clark/Division
1200 N Clark
Chicago, Illinois

Franchisee
Bhavik Patel
6436 North Spaulding Avenue
Lincolnwood, Illinois 60712
(773) 484-5324 (cell)

Reason for Termination Early Termination of Lease
Date of Termination September 30, 2016

MISSOURI

Gateway Newstands
St Louis Station
500 St Louis Station
St Louis, Missouri 63103

Franchisee
Victor Patel
1056 Indian Creek Drive
O'Fallon, Illinois 62269
(613) 530-5818 (home)

Reason for Termination Early Termination of Lease
Date of Termination April 30, 2016

EXHIBIT I

STATE ADDENDA AND AGREEMENT RIDERS

**ADDITIONAL DISCLOSURES FOR THE
MULTISTATE FRANCHISE DISCLOSURE DOCUMENT OF
TOBMAR INVESTMENTS INTERNATIONAL, INC**

The following are additional disclosures for the Franchise Disclosure Document of Tobmar Investments International, Inc required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

CALIFORNIA

- 1 The following paragraphs are added at the end of Item 17 of the Disclosure Document

California Law Regarding Termination and Nonrenewal California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of the franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, the law will control.

Post-Termination Non-competition Covenants The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the agreement. This provision may not be enforceable under California law.

Termination Upon Bankruptcy The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101 et seq.).

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Neither the franchisor, nor any person or franchise broker in Item 2 of the 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 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

OUR WEBSITE (WWW.GATEWAYNEWSTANDS.COM) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

ILLINOIS

Item 17(w) of the Disclosure Document (Franchise Agreement) is amended to read as follows

“Except for claims under federal trademark law, the law of Illinois will apply ”

Item 17(w) of the Disclosure Document (Sublease Agreement) is amended to read as follows

“The law of Illinois will apply ”

MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg §§14-201 to 14-233, the Maryland Franchise Disclosure Document for Tobmar Investments International, Inc in connection with the offer and sale of franchises in the State of Maryland shall be amended to include the following

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

(a) The following is added to the end of the summary in section (c), **Requirements for franchisee to renew or extend**, and section (m), **Conditions for franchisor approval of transfer**, of the Item 17 Franchise Agreement charts

, provided, however, that such general release shall not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law (as amended)

(b) The following is added to each of the Franchise Agreement and Sublease Agreement charts in Item 17 at the end of the Summary sections of provisions (v) entitled **Choice of Forum** and (w) entitled **Choice of Law**

(except for claims arising under the Maryland Franchise Registration and Disclosure Law)

(c) The following is added to the end of the Item 17 Franchise Agreement chart

The Franchise Agreement provides for termination upon bankruptcy of the franchisee These provisions may not be enforceable under federal bankruptcy law (11 U S C Sections 101 et seq)

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise

Each provision of this Additional Disclosures to the Maryland Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional

requirements of the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg §§14-201 to 14-233, and any regulations thereunder are met independently without reference to this Additional Disclosures Page

NEW YORK

1 Except for the litigation disclosed in Item 3 and with regard to the Franchisor, its predecessor or predecessors, and the persons identified in Item 2 of the Disclosure Document

- A There is no pending administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations
 - B No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations
 - C No such party is subject to any injunctive or restrictive order or decree relating to franchises or under any Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency
- 2 Item 4 is deleted in its entirety and the following is substituted in its place

Item 4

BANKRUPTCY

Neither we nor any of our predecessors, officers or general partners has during the 15 year period immediately preceding the date of the disclosure document been adjudged bankrupt or reorganized due to insolvency or was a principal officer of any company or a general partner in any partnership that was adjudged bankrupt or reorganized due to insolvency during or within 1 year after the period that such officer or general partner of ours held such position in such company or partnership, or whether any such bankruptcy or reorganization proceeding has been commenced

- 3 The following language shall be added to the second paragraph of Item 5

The initial franchise fee covers the costs we incur in training you and the assistance we provide in opening the Gateway Newstand

- 4 The following language shall be added to the Summary section of Item 17 D

Franchisee may terminate the agreement upon any grounds available to him by law

5 The following language shall be added to the Summary section of Item 17 J in the Franchise Agreement and Sublease Agreement charts

However, no assignment will be made except to a FRANCHISOR who in the good faith and judgment of FRANCHISOR is able and willing to assume the FRANCHISOR's obligation under the Franchise Agreement

WASHINGTON

The following paragraph is added at the end of Item 17

If any of the provisions in this Disclosure Document or the Franchise Agreement are inconsistent with the relationship provisions of Revised Code of Washington Section 19 100 180 or any other requirements of the Washington Franchise Investment Protection Act (the "Act"), then (if the Act applies by its terms) the provisions of the Act will prevail over the inconsistent terms of the Disclosure Document and/or Franchise Agreement

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT AND SUBLEASE AGREEMENT**

**RIDER TO
TOBMAR INVESTMENTS INTERNATIONAL INC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER made this _____ day of _____, 20__ BY AND
BETWEEN

TOBMAR INVESTMENTS INTERNATIONAL INC , a corporation
incorporated under the laws of Nevada,

(hereinafter called "Franchisor")

- and -

(hereinafter called the "Franchisee")

1 **Background** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement") that has been executed concurrently with the execution of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being executed because (a) the Gateway Newstands Franchisee will operate under the Franchise Agreement is located in the State of Illinois, and/or (b) Franchisee is a resident of the State of Illinois, and/or (c) any of the offering or sales activity with respect to the Franchise Agreement occurred in the State of Illinois.

2 **Amendments to Franchise Agreement** Article 11.14 of the Franchise Agreement is deleted in its entirety and replaced with the following:

Interpretation, Governing Law and Binding Effect Time shall be of the essence of this Agreement. In this Agreement, the use of the singular number shall include the plural and vice versa, the use of any gender shall include all genders and the word "person" shall include an individual, a trust, a partnership, a corporation or governmental agency, an association and any other incorporated or unincorporated organization or entity. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1501 et seq.) or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Subject to the restrictions on assignment herein, this Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and assigns, provided, however, that any provision in this Agreement restricting jurisdiction or venue to a forum outside of Illinois is void with respect to any claims arising under the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF the parties have duly executed this Agreement

TOBMAR INVESTMENTS INTERNATIONAL INC

By _____
Title _____
Date _____

FRANCHISEE

Print Name _____
Date _____

**ILLINOIS RIDER TO THE
TOBMAR INVESTMENTS INTERNATIONAL INC
SUBLEASE AGREEMENT
BETWEEN TOBMAR INTERNATIONAL INC AND**

DATED _____

In recognition of the requirements of the Illinois Franchise Disclosure Act and the Rules and Regulations promulgated thereunder, the Sublease Agreement of TOBMAR INTERNATIONAL INC shall be modified as follows

I **MISCELLANEOUS** Section 12 E of the Sublease Agreement is deleted in its entirety and replaced with the following

Applicable Law This Sublease shall be governed by the laws of the State of Illinois

IN WITNESS WHEREOF, the Sublessor and the Sublessee have executed this Sublease all as of the day and year first above written

TOBMAR INTERNATIONAL INC

By _____
Title _____
Date _____

SUBLESSEE

Print Name _____
Date _____

**MARYLAND RIDER TO THE
TOBMAR INVESTMENTS INTERNATIONAL INC
FRANCHISE AGREEMENT
BETWEEN TOBMAR INVESTMENTS INTERNATIONAL INC AND**

DATED _____

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law and the Rules and Regulations promulgated thereunder, the Franchise Agreement of TOBMAR INVESTMENTS INTERNATIONAL INC shall be modified as follows

1 **GRANT OF FRANCHISE RIGHTS** The following is added to the end of Article 1 2(f) of the Franchise Agreement

,provided, however, that such general release shall not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law (as amended)

2 **ASSIGNMENT, TRANSFER AND ENCUMBRANCE** The following language is added to the end of Article 8 2(7) of the Franchise Agreement

" ,provided, however, that such general release shall not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law (as amended), and"

3 **TERMINATION BY FRANCHISOR** The following is added to the end of Article 9 1(i) of the Franchise Agreement

" ,provided, however, that this provision may not be enforceable under federal bankruptcy law (11 U S C Sections 101, et seq.), or"

4 **GENERAL** Article 11 14 of the Franchise Agreement is deleted in its entirety and replaced with the following

Interpretation, Governing Law and Binding Effect Time shall be of the essence of this Agreement In this Agreement, the use of the singular number shall include the plural and vice versa, the use of any gender shall include all genders and the word "person" shall include an individual, a trust, a partnership, a corporation or governmental agency, an association and any other incorporated or unincorporated organization or entity Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sections 1501 et seq) or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Maryland Subject to the restrictions on assignment herein, this Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors

and assigns, provided, however, that any provision in this Agreement restricting jurisdiction or venue to a forum outside of Maryland is void with respect to any claims arising under the Maryland Franchise Registration and Disclosure Law

5 **ACKNOWLEDGMENTS** The following is added to the end of Article 12 1 of the Franchise Agreement

,provided, however, that such general release shall not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law (as amended)

6 Each provision of this Rider shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg §§14-201 to 14-233, are met independently without reference to this Rider

IN WITNESS WHEREOF the parties have duly executed this Agreement this _____ day of _____, _____

TOBMAR INVESTMENTS INTERNATIONAL INC

By _____
Title _____
Date _____

FRANCHISEE

Print Name _____
Date _____

**MARYLAND RIDER TO THE
TOBMAR INVESTMENTS INTERNATIONAL INC
SUBLEASE AGREEMENT
BETWEEN TOBMAR INTERNATIONAL INC AND**

DATED _____

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law and the Rules and Regulations promulgated thereunder, the Sublease Agreement of TOBMAR INTERNATIONAL INC shall be modified as follows

I **TERM, TERMINATION AND DEFAULT, HOLDOVER** The following is added to the end of Section 3 C of the Sublease Agreement entitled, **Notice of Termination**

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise

II **MISCELLANEOUS** Section 12 E of the Sublease Agreement is deleted in its entirety and replaced with the following

Applicable Law This Sublease shall be governed by the laws of the State of Maryland

III Each provision of this Rider shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg §§14-201 to 14-233, are met independently without reference to this Rider

IN WITNESS WHEREOF, the Sublessor and the Sublessee have executed this Sublease all as of the day and year first above written

TOBMAR INTERNATIONAL INC

By _____
Title _____
Date _____

SUBLESSEE

Print Name _____
Date _____

NEW YORK
RIDER TO TOBMAR INVESTMENTS INTERNATIONAL INC
FRANCHISE AGREEMENT
BETWEEN TOBMAR INVESTMENTS INTERNATIONAL INC AND

DATED

In recognition of the requirements of the New York General Business Law and the Rules and Regulations promulgated thereunder, the Franchise Agreement of TOBMAR INVESTMENTS INTERNATIONAL INC shall be modified as follows

1 The first sentence of Section 6 12 is hereby deleted and the following is substituted in its place

Franchisor shall have the right, at any time during normal business hours and without prior notice to the Franchisee, to inspect or cause to be inspected and audited all business, bookkeeping and accounting records of the Gateway Newstands retail outlet

2 Section 8 2(6) is hereby deleted and the following is substituted therefor

The Franchisee and its owners executing a general release of Franchisor, its affiliates and their officers, directors and employees, provided however, that all rights enjoyed by the Franchisee and any causes of action arising in the Franchisee's favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force, it being the intent of this proviso that the non-waiver provision of GBL 687 4 and 687 5 be satisfied, and

3 The following is hereby added at the end of Section 11 3

However, the Franchisee is not required to indemnify for claims resulting from a breach of the Franchise Agreement or other civil wrongs committed by the Franchisor

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Rider in _____ counterparts on the day and year first above written

TOBMAR INVESTMENTS INTERNATIONAL INC

By _____
Title _____
Date _____

FRANCHISEE

Print Name _____
Date _____

**RIDER TO
TOBMAR INVESTMENTS INTERNATIONAL INC
FRANCHISE AGREEMENT
FOR USE IN WASHINGTON**

THIS RIDER made this _____ day of _____, 20____ BY AND
BETWEEN

TOBMAR INVESTMENTS INTERNATIONAL INC , a corporation
incorporated under the laws of Nevada,

(hereinafter called "Franchisor")

- and -

(hereinafter called the "Franchisee")

1 **Background** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement") that has been executed concurrently with the execution of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being executed because (a) the Gateway Newstands Franchisee will operate under the Franchise Agreement is located in the State of Washington, and/or (b) Franchisee is a resident of the State of Washington, and/or (c) any of the offering or sales activity with respect to the Franchise Agreement occurred in the State of Washington.

2 **Addition of Paragraphs** The following paragraphs are hereby added to the end of the Franchise Agreement as Article 13

13 **WASHINGTON LAW**

In recognition of the requirements of the Washington Franchise Investment Protection Act (the "Act") and the rules and regulations promulgated thereunder, the Franchise Agreement of Tobmar Investments International Inc shall be modified as follows:

The State of Washington has a statute, RCW 19 100 180 which may supersede the Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of Franchisee's franchise. There may also be court decisions which may supersede the Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of Franchisee's franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable

Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimate or actual costs in effecting a transfer

IN WITNESS WHEREOF the parties have duly executed this Agreement

TOBMAR INVESTMENTS INTERNATIONAL INC

By _____
Title _____
Date _____

FRANCHISEE

Print Name _____
Date _____

TOBMAR INVESTMENTS INTERNATIONAL, INC

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

Tobmar Investments International, Inc ("we," "us," or "our") and the undersigned
franchisee,
____ ("you" or "your"), currently are parties to a
certain Franchise Agreement (the "Franchise Agreement") dated
____ You have asked us to take the following action or to agree
to the following request [insert as appropriate for renewal or transfer situation]

____ We have the right
under the Franchise Agreement to obtain a general release from you (and, if applicable, your
owners) as a condition of taking this action or agreeing to this request Therefore, we are willing
to take the action or agree to the request specified above if you (and, if applicable, your owners)
give us the release and covenant not to sue provided below in this document You (and, if
applicable, your owners) are willing to give us the release and covenant not to sue provided
below as partial consideration for our willingness to take the action or agree to the request
described above This release shall not apply to any liability under the Maryland Franchise
Registration and Disclosure Law

Consistent with the previous introduction, you, on your own behalf and on behalf of your
successors, heirs, executors, administrators, personal representatives, agents, assigns, partners,
shareholders, members, directors, officers, principals, employees, and affiliated entities
(collectively, the "Releasing Parties"), hereby forever release and discharge us and our current
and former officers, directors, members, principals, employees, agents, representatives, affiliated
entities, successors, and assigns (collectively, the "Tobmar Parties") from any and all claims,
damages (known and unknown), demands, causes of action, suits, duties, liabilities, and
agreements of any nature and kind (collectively, "Claims") that you and any of the other
Releasing Parties now has, ever had, or, but for this document, hereafter would or could have
against any of the Tobmar Parties (1) arising out of or related to the Tobmar Parties' obligations
under the Franchise Agreement or (2) otherwise arising from or related to your and the other
Releasing Parties' relationship, from the beginning of time to the date of your signature below,
with any of the Tobmar Parties You, on your own behalf and on behalf of the other Releasing
Parties, further covenant not to sue any of the Tobmar Parties on any of the Claims released by
this paragraph and represent that you have not assigned any of the Claims released by this
paragraph to any individual or entity who is not bound by this paragraph

We also are entitled to a release and covenant not to sue from your owners By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the date stated on the first page hereof

TOBMAR INVESTMENTS INTERNATIONAL, INC

Print Name _____

Title _____

By _____

Date _____

FRANCHISEE

Print Name _____

Title _____

By _____

Date _____

Print Name _____

Title _____

By _____

Date _____

Print Name _____

Title _____

By _____

Date _____

"FRANCHISOR REPRESENTATION"

**THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT
KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE
STATEMENT OF A MATERIAL FACT**

ITEM 23

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 Tobmar Investments International, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. [However, some state franchise laws require Tobmar Investments International, Inc. to provide this Disclosure Document to you at the first personal meeting held to discuss the franchise sale or at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.]

If Tobmar Investments International, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The Franchisor is Tobmar Investments International, Inc., located at 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1. Its telephone number is (905) 851-9652.

The franchise seller(s) for this offering is (are)

Terry Samuels, 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, (905) 851-9652
Nancy Chamberlain, 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, (905) 851-9652
Michael Aychental, 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, (905) 851-9652
Ken Pollina, 918 W. Winona, Chicago, Illinois 60640, (773) 251-7543

The issuance date of this Franchise Disclosure Document is _____, 2017.

Tobmar Investments International, Inc. authorizes the respective state agents identified on Exhibit A to receive service of process for us in the particular states. I received a Disclosure Document from Tobmar Investments International, Inc. dated as of _____, 2017 that included the following Exhibits:

Exhibit A	List of State Agencies
Exhibit B	Franchise Agreement
Exhibit C	Sublease
Exhibit D	Assignment and Assumption Agreements
Exhibit E	Disclosure Acknowledgment Statement
Exhibit F	Financial Statements
Exhibit G	List of Franchisees
Exhibit H	List of Franchisees Who Have Left the System
Exhibit I	State Addenda and Agreement Riders (including sample general release)

Print Name

Date

(Signature) Prospective Franchise Owner

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 Tobmar Investments International, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. [However, some state franchise laws require Tobmar Investments International, Inc. to provide this Disclosure Document to you at the first personal meeting held to discuss the franchise sale or at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.]

If Tobmar Investments International, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The Franchisor is Tobmar Investments International, Inc., located at 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1. Its telephone number is (905) 851-9652.

The franchise seller(s) for this offering is (are)

Terry Samuels, 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, (905) 851-9652
Nancy Chamberlain, 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, (905) 851-9652
Michael Aychental, 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, (905) 851-9652
Ken Pollina, 918 W. Winona, Chicago, Illinois 60640, (773) 251-7543

The issuance date of this Franchise Disclosure Document is _____, 2017.

Tobmar Investments International, Inc. authorizes the respective state agents identified on Exhibit A to receive service of process for us in the particular states. I received a Disclosure Document from Tobmar Investments International, Inc. dated as of _____, 2017 that included the following Exhibits:

Exhibit A	List of State Agencies
Exhibit B	Franchise Agreement
Exhibit C	Sublease
Exhibit D	Assignment and Assumption Agreements
Exhibit E	Disclosure Acknowledgment Statement
Exhibit F	Financial Statements
Exhibit G	List of Franchisees
Exhibit H	List of Franchisees Who Have Left the System
Exhibit I	State Addenda and Agreement Riders (including sample general release)

Print Name

Date

(Signature) Prospective Franchise Owner