

FRANCHISE DISCLOSURE DOCUMENT



TOBMAR INVESTMENTS INTERNATIONAL INC.
A Nevada Corporation
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Woodbridge, Ontario, Canada L4L 8V1
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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: August 16, 2018 (amended October 10, 2018)

STATE COVER PAGE

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

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

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

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

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	September 21, 2018 (amended _____, 2018)
Illinois	September 27, 2018 (amended _____, 2018)
Indiana	_____, 2018 (amended _____, 2018)
Maryland	_____, 2018
Michigan	August 16, 2018 (amended October 10, 2018
New York	October 18, 2018 (amended _____, 2018)
Washington	September 25, 2018 (amended _____, 2018)

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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	Table of Contents of Operating Manual
Exhibit J	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 J.

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; (ii) Modjule LLC, which has a principal business address located at 1455 West Fargo, Suite 2, Chicago, Illinois 60626; and (iii) Tobmar PM USA, LLC, which has a principal business address located at 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1.

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

Chief Executive Officer – Mary Kelly

Mary Kelly has been the Chief Executive Officer since September 2018. From January 2018 to September 2018, Ms. Kelly was not employed. From September 2013 to January 2018, Ms. Kelly held positions as Chief Pharmacy Officer, Chief Technology Officer and Chief Merchandising Officer for Rexall Pharmacy Group in Mississauga, Ontario.

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.

Chief Operation Officer - Steven Tennant

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.

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, 2017, 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, 2017. 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.
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.

Column 1 Type of Fee¹	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
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	Column 2	Column 3	Column 4	Column 5
Type of Expenditure	Amount	Method of Payment	When Due	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
Additional Funds-3 months (Note 4)	\$3,375 to \$21,750	As incurred	As incurred	Employees 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
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 the Point of Sale (POS) system 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, 2017, 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 \$455,000 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 as well as the operations manual. 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, 2017, Tobmar received \$107,456 from suppliers under the merchandising agreement program; Tobmar intends to distribute a portion of this amount to its franchisees during the 2018 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>
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

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
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
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

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
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

You are required to purchase and install the Point of Sale (POS) System that we designate prior to opening. The POS system includes a POS terminal, scanner, printer and customer facing screen. You will use the POS system to scan product UPC codes and ring in sales and report sales to us and to the retailer. The POS system collects and stores data relating to your sales, taxes, product UPC code that was sold and the product reported within present departments. We will have independent unlimited access to the sales report information.

We estimate the cost to purchase the POS system will be \$1,800 plus a \$20 shipping fee. You must pay the licensor an annual license fee of \$300 (or you can pay monthly at \$35 per month, which equates to \$420 per year). In exchange for the fee, the licensor will provide all required maintenance, updates, upgrades and support. We are not aware of any required or optional maintenance, updating, upgrading or support contracts for the POS system.

Tobmar does not require that you use any other 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 POS system, computer system or cash register during the term of your franchise.

Operating Manual

We will provide you with access to our Manual in text or electronic form for the term of your Franchise Agreement. The Manual may include, among other things, (i) a description of the authorized goods and services that you may offer at your Business; (ii) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for Gateway Newstands franchisees; (iii) mandatory reporting and insurance requirements; and (iv) a written list of goods and services (or specifications for goods and services) you must purchase for the construction of your Gateway Newstands and the development and operation of your Business and a list of any designated or approved suppliers for these goods or services. The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by our

franchisees. We can modify the Manual at any time. All mandatory provisions contained in the Manual are binding on you. The Manual is confidential and remains our property. We may modify the Manual upon 30 days' prior notice, but the modification(s) will not alter your status or fundamental rights under the Franchise Agreement. The Manual contains a total of 108 pages. A copy of the Table of Contents to the Manual is attached to this Disclosure Document as EXHIBIT "I".

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

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
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.
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

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
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
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.

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
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
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 9.1	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.

<u>Provision</u>	<u>Section in Sublease Agreement</u>	<u>Summary</u>
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
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

<u>Provision</u>	<u>Section in Sublease Agreement</u>	<u>Summary</u>
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 2015 to 2017**

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	2015	115	116	+1
	2016	116	116	0
	2017	116	116	0
Company- Owned	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Total Outlets	2015	115	116	+1
	2016	116	116	0
	2017	116	116	0

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2015 to 2017**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
California	2015	1
	2016	1
	2017	0
Illinois	2015	2
	2016	2
	2017	3
New York	2015	0
	2016	0
	2017	2
Texas	2015	0
	2016	0
	2017	0
Totals	2015	3
	2016	3
	2017	5

Table No. 3

**Status of Franchised Outlets
For years 2015 to 2017**

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	2015	6	0	0	0	0	0	6
	2016	6	0	0	0	0	0	6
	2017	6	0	0	0	0	0	6
District of Columbia	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Florida	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Georgia	2015	7	0	1	0	0	0	6
	2016	6	0	0	0	0	0	6
	2017	6	0	0	0	0	0	6
Illinois ¹	2015	36	5	0	0	0	0	41
	2016	41	0	2	0	0	0	39
	2017	39	1	2	1	0	0	37
Maryland	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
	2017	2	0	0	0	0	0	2
Massachusetts	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
	2017	4	0	0	0	0	0	4
Michigan	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Missouri	2015	2	0	0	0	0	0	2
	2016	2	1	1	0	0	0	2

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
	2017	2	0	0	0	0	0	2
New Jersey	2015	5	0	2	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
New York	2015	30	1	2	0	0	0	29
	2016	29	0	0	0	0	0	29
	2017	29	1	0	0	0	0	30
North Carolina	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	0	0	0	0	0	3
Ohio	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Pennsylvania	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
	2017	3	1	0	1	0	0	3
Texas	2015	11	0	0	0	0	0	11
	2016	11	1	0	0	0	0	12
	2017	12	1	0	0	0	0	13
Virginia	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
Totals	2015	115	6	5	0	0	0	116
	2016	116	3	3	0	0	0	116
	2017	116	4	2	2	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 2015 to 2017**

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	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0

Table No. 5

**Projected Openings
As of December 31, 2017**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	2	0
Illinois	1	4	0
New York	7	2	0
Texas	1	2	0
Totals	9	10	0

Notes:

1. The total number of outlets where a Franchise Agreement was signed during 2017, but the outlet is not yet open is three.

The numbers in the above tables are for the fiscal years ending April 30, 2015, December 31, 2016 and December 31, 2017.

Attached to this Disclosure Document are:

A list of all franchised outlets of Tobmar as of December 31, 2017 (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, 2015, December 31, 2016 and December 31, 2017. In addition, an unaudited balance sheet as of August 31, 2018 and an unaudited income statement from January 1, 2018 August 31, 2018 are attached to this Disclosure Document as Exhibit F. THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM. 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 J	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 4th 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, 23rd 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 1st Floor (service of process) 9th 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 4th 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. The information in the Operating Manual is confidential and proprietary and may not be disclosed to third parties without Franchisor's prior approval. Franchisee must establish and operate the Gateway Newstands in accordance with the Operating Manual. The Operating Manual is designed to establish and protect Franchisor's brand standards and the uniformity and quality of the goods and services offered by Gateway Newstands. Franchisor can modify the Operations Manual at any time. The modifications will become binding 30 days after Franchisor sends Franchisee notice of the modification. All mandatory provisions contained in the Manual (whether they are included now or in the future) are binding on Franchisee. All such materials may be contained

within or referred to as an Operating Manual. 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. Prior to opening, Franchisee agrees to purchase and install a Point of Sale System designated by Franchisor. All receipts from sales or other transactions made in connection with the Gateway Newstands shall be recorded in the POS system at the time of sale and in the presence of the customer. 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 any other microcomputer and/or 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".

*** All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Acknowledged and Accepted this ____ day of _____, _____.

FRANCHISEE:

EXHIBIT F
FINANCIAL STATEMENTS

Tobmar Investments International, Inc.

Balance Sheet

	Begin:
	End: 31 Aug 2018
	Index: date
	Type: amount
	Tag: financial
	Nrep: yes
Description	
CURRENT	
Cash	(14,041.59)
REBATE RECEIVABLE	
AR CLEARING-REBATE	50,543.04
AR CLEARING-SPECIAL	(7,266.73)
Rebate (Gen Mer) Receivable	10,000.00
Special Rebate Receivable	15,001.00
TOTAL REB REC	68,277.31
ROYALTIES RECEIVABLE	
Monthly Fee Receivable	164,087.09
TOTAL ROYALTY REC	164,087.09
MISC RECEIVABLE	
Accounts Receivable MISC	291,700.47
GST Receivable	3,270.71
TOTAL MISC REC	294,971.18
PREPAID EXPENSES	
Prepaid Expenses	101,100.00
CONSTRUCTION ADVANCE	
Construction Advances	327,222.04
TOTAL CONSTRUCTION ADV	327,222.04
CURRENT ASSETS	941,616.03
LONG TERM	
FRANCHISE LOAN RECEIVABLE	
Renewal Fee Receivable	55,491.87
TOTAL FF/RF/OTH REC	55,491.87
LONG TERM RECEIVABLE	
Less: Allowance Doubtful Acct	0.00
TOTAL LONG TERM ASSETS	55,491.87
TOTAL ASSETS	2,463,904.05

Begin:
End: 31 Aug 2018
Index: date
Type: amount
Tag: financial
Nrep: yes

Description

CURRENT LIABILITIES	
ACCOUNTS PAYABLE	
Accounts Payable	511,283.18
Retail Display Allow Payable	(1,000.00)
TOTAL ACCOUNTS PAYABLE	510,283.18
ACCRUED LIABILITIES	
Accrued Liabilities - General	7,500.00
Accrued Charges RBT PRGM	15,187.34
TOTAL ACCRUED LIABILITIES	22,687.34
PREPAID REBATES	
INCOME TAX PAYABLE	
Income Tax Payable	152,744.55
TOTAL INCOME TAX PAYABLE	152,744.55
SECURITY DEPOSIT	
Deposits Held on Resales	16,674.83
TOTAL SECURITY DEPOSIT C	16,674.83
DEFERRED REVENUE	
Deferred Revenue	35,000.00
TOTAL DEFERRED REVENUE	35,000.00
	737,389.90
	737,389.90
STOCKHOLDERS' EQUITY	
Common Stock 250 Common Shares	250.00
PAID UP CAPITAL	
Paid up Capital Beginning	119,808.31
Opening Retained Earnings	0.00
Current Earnings	2,161,562.16
Dividends	(555,106.32)
Total Retained Earnings	1,606,455.84
Total Equity US\$	1,726,514.15
TOTAL LIABILITIES & EQUITIES	2,463,904.05

Tobmar Investments International, Inc.

Income Statement

Begin: 01 Jan 2018
End: 31 Aug 2018
Index: date
Type: amount
Tag: financial
Nrep: yes

Description

REVENUE	
Franchise Fee	47,500.00
Monthly Franchise Fee	696,158.51
Transfer/Renewal Fee	11,425.00
Renewal Fee	76,837.31
Merchandise Revenue - Accrual Basis	73,115.02
TOTAL REVENUE US\$	<u>905,035.84</u>
 COST OF GOODS SOLD	
Programme expenses (100%)	12,835.76
Store Construction Overrun	2,500.00
Store Rebate Expense	(6,577.64)
TOTAL COST OF GOODS SOLD US\$	<u>8,758.12</u>
 GROSS MARGIN US\$	<u>896,277.72</u>
 OTHER INCOME	
Misc Interest & Revenue	50.00
Unrealized Foreign Exchange	19,957.96
TOTAL OTHER INCOME	<u>20,007.96</u>
 OPERATING EXPENSES	
Accounting	9,985.00
Advertising	7,228.96
Bad Debt	47,984.86
Car Allowance-Employee	8,800.00
Comm. & Finders Fees	5,250.00
Courier	204.85
Employee Salaries	104,307.44
Employee Bonus	7,200.00
Employee Benefits	9,527.49
Expense Repayment TobNews	89,350.50
Entertainment & Meals	3,559.88
Legal	11,217.48

Begin: 01 Jan 2018

End: 31 Aug 2018

Index: date

Type: amount

Tag: financial

Nrep: yes

Description

Payroll Service Fees	1,584.72
Office Expenses	638.53
Registration Fees	6,933.51
Telecommunications (Grp)	3,488.26
Travel & Transportation (Grp)	11,000.95
TOTAL OPERATING EXPENSES US\$	<u>328,262.43</u>
TOTAL NET OPERATING EXPENSES US\$	<u>328,262.43</u>
TOTAL OPERATING INCOME US\$	<u>568,015.29</u>
TOTAL OPERATING & OTHER INCOME	<u>588,023.25</u>
OTHER EXPENSES	
Bank charge & interest	2,344.11
Legal Exp - Other	16,060.27
Recruiter Fee	1,575.00
Promotion (Landld+Franchisee)	2,237.81
TOTAL OTHER EXPENSES US\$	<u>22,217.19</u>
EARNINGS BEFORE INCOME TAXES	<u>565,806.06</u>
Net Earnings for the Period US\$	<u>565,806.06</u>

Tobmar Investments International Inc.

Financial Statements

For the Year Ended December 31, 2017



INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Tobmar Investments International Inc.

We have audited the accompanying financial statements of Tobmar Investments International Inc. which comprise the balance sheet as at December 31, 2017 and the statements of operations and retained earnings and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles in the United States of America, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tobmar Investments International Inc. as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles in the United States of America.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
August 16, 2018
Toronto, Ontario

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Tobmar Investments International Inc.
Balance Sheet
As at December 31, 2017

	2017	2016 (unaudited Note 9)
Assets		
Current		
Cash	\$ 90,503	\$ 76,381
Accounts receivable (Note 7)	446,281	310,330
Prepaid expenses	1,864	4,353
Income taxes receivable	-	90,211
	538,648	481,275
Due from related parties (Note 6)	1,277,287	642,201
	\$ 1,815,935	\$ 1,123,476
Liabilities and Shareholder's Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 195,768	\$ 46,165
Income taxes payable	162,995	-
Deferred revenue	107,500	93,712
	466,263	139,877
Due to related parties (Note 6)	116,790	57,979
	583,053	197,856
Shareholder's Equity		
Share capital	250	250
Additional paid-in capital	223,188	223,188
Retained earnings	1,009,444	702,182
	1,232,882	925,620
Total liabilities and shareholder's equity	\$ 1,815,935	\$ 1,123,476
Commitments and contingencies (Note 8)		

Approved by the Board

Director

Director

See accompanying notes

Tobmar Investments International Inc.
Statement of Operations and Retained Earnings
Year Ended December 31, 2017

	2017	2016 (unaudited Note 9)
Revenue		
Franchise fees (Note 3)	\$ 1,250,329	\$ 950,615
Supplier rebates	200,115	72,675
	1,450,444	1,023,290
Cost of sales	111,775	65,764
	1,338,669	957,526
Operating expenses		
Salaries and wages	265,856	210,231
Operating expenses	250,931	248,248
Bad debt expense	173,756	-
Legal expenses	130,753	21,966
Management fees	-	200,000
	821,296	680,445
Operating income before the undernoted items and income taxes	517,373	277,081
Other (income) expenses		
Foreign exchange	-	5,730
Interest expense, net of interest income	3,715	(27,752)
	3,715	(22,022)
Earnings before income taxes	513,658	299,103
Income taxes (Note 4)	206,396	103,380
Net earnings	307,262	195,723
Retained earnings, beginning of year	702,182	506,459
Retained earnings, end of year	\$ 1,009,444	\$ 702,182

See accompanying notes

Tobmar Investments International Inc.
Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016 (unaudited Note 9)
Cash provided by (used in)		
Operations		
Net earnings	\$ 307,262	\$ 195,723
Item not affecting cash		
Capital contribution from parent	-	103,380
	307,262	299,103
Net changes in non-cash working capital		
Accounts receivable	(135,951)	(5,625)
Prepaid expenses	2,489	(2,266)
Accounts payable and accrued liabilities	149,603	(57,850)
Income tax receivable/payable	253,206	25,971
Deferred revenue	13,788	41,321
Cash provided by operating activities	590,397	300,654
Investing		
Due from related parties	(576,275)	(247,737)
Net change in cash	14,122	52,917
Cash, beginning of year	76,381	23,464
Cash, end of year	\$ 90,503	\$ 76,381

Supplemental Cash Flow Information

Income taxes paid	\$ -	\$ -
Interest paid	\$ 5,580	\$ -

See accompanying notes

Tobmar Investments International Inc.
Notes to Financial Statements
December 31, 2017

1. ORGANIZATION

Tobmar Investments International Inc. ("Tobmar" or "Company"), a Delaware corporation, was formed on December 23, 2015 and is a franchisor of variety stores and newsstands throughout the United States. The Company operates under the trade name "Gateway Newstands". Gateway Newstands was established in 1983 and currently there are over 368 franchises in North America that operate as retail outlets and offer candies, cards, gifts, tobacco, and other sundry items in premier locations such as office developments and subway stations. Another company under common control is the franchisor for the Canadian franchises. In addition, the Company administers a merchandising program for its franchisees in which the Company will negotiate on an exclusive basis with all manufacturers and suppliers who wish to promote their products in Gateway Newstands.

The Company's reporting currency is U.S. dollars; as such, all amounts disclosed in the accompanying notes to the financial statements are presented in U.S. dollars, unless otherwise indicated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual fees could differ from these estimates.

Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the foreign currency exchange rate in effect at each reporting period end date. Non-monetary items are translated at the historical exchange rate at the date of transaction. Exchange gains or losses arising from the translation of operating transactions denominated in foreign currency are recognized in operating income or loss. Revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the average foreign currency exchange rate for the period. Exchange gains or losses arising from the translation of capital and financing transactions denominated in foreign currency are recognized in non-operating income or loss.

Accounts Receivable

Accounts receivable consist of amounts due from customers for royalty and franchise fees. Accounts receivable are shown net of an allowance for doubtful accounts. The Company evaluates its accounts receivable for collectability on a regular basis, reserving for amounts for which collection is no longer probable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded for deferred tax assets when it is more likely than not that such deferred tax assets will not be realized.

Revenue Recognition

The Company generally executes franchise agreements for each store that establishes the terms of its arrangement with the franchisee. The franchise agreements typically require the franchisee to pay an initial, non-refundable fee and continuing fees based on a percentage of sales. Subject to the Company's approval and the franchisee's payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

The Company recognizes revenue in the following manner.

- a) Initial franchise fee and franchise renewal fee revenue is recognized in accordance with Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 952-605, Franchisors Revenue Recognition. Non-refundable initial franchise license and franchise renewal fees are recognized once Tobmar has performed substantially all initial services required by the franchise agreement.
- b) Monthly franchise fee revenue, representing a percentage of franchise monthly sales as specified in each franchise agreement, is recognized in the same period as the related franchise store sales occur provided that the collection of the unpaid amounts is probable.
- c) Franchise transfer fee revenue is recognized at the transfer date of the franchise agreement.
- d) Supplier rebate revenue arises as a result of supplier contributions for advertising, display, purchase volume incentives, product exclusivity, and merchandizing relating to the operations of the franchisees and is recognized as revenue based on the level of activity with the franchisees during the period. These rebates are shared with franchisees in a manner stipulated in the franchise agreements and are included in cost of sales.

Significant Customers and Concentrations

As of December 31, 2017, there were no customers that individually accounted for ten percent or more of total accounts receivable.

Tobmar Investments International Inc.
Notes to Financial Statements
December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Future Accounting Pronouncements

During February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842). ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU No. 2016-02 is effective for annual periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company is currently assessing the effect that ASU No. 2016-02 will have on its results of operations, financial position, and cash flows.

During May 2014, FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). ASU No. 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. During 2015 and 2016, FASB also issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09; ASU No. 2016-08, Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which clarifies the implementation guidance on principal versus agent considerations in Topic 606; ASU No. 2016-10, Identifying Performance Obligations and Licensing, which clarifies the identification of performance obligations and the licensing implementation guidance; ASU No. 2016-12, Narrow-Scope Improvements and Practical Expedients; and ASU No. 2016-20, Technical Corrections and Improvements to Topic 606, which both affect narrow aspects of Topic 606. Topic 606 (as amended) is effective for fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The Company may elect to apply the guidance earlier, but no earlier than fiscal years beginning after December 15, 2016. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. The Company is currently assessing the effect that Topic 606 (as amended) will have on its results of operations, financial position, and cash flows.

Subsequent Events

In preparing the financial statements and notes thereto, the Company considered subsequent events through to August 16, 2018, the date of issuance.

3. FRANCHISE FEES

As of December 31, 2017, the Company had 122 locations franchised. The components of franchise fee revenue are as follows:

	2017	2016 (unaudited)
Monthly franchise fees	\$ 1,098,088	\$ 843,810
Renewal and other franchise fees	112,241	106,805
Initial franchise fees	40,000	-
	\$ 1,250,329	\$ 950,615

Tobmar Investments International Inc.
Notes to Financial Statements
December 31, 2017

4. INCOME TAXES

The following table reconciles income taxes calculated at combined federal and state tax rates with the income tax expense in the financial statements:

	2017	2016 (unaudited)
Earnings before income taxes	\$ 513,658	\$ 299,103
Statutory rate	38.0 %	38.0 %
Expected income tax expense	\$ 195,190	\$ 113,659
Increase (decrease) in income tax expense due to the following:		
True up (recovery) of prior year taxes	7,418	(12,857)
Non-deductible expenses	3,788	2,578
Income tax expense	\$ 206,396	\$ 103,380

5. FINANCIAL INSTRUMENTS

The Company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Company's risk exposure and concentration as of December 31, 2017.

Risk factors

The Company is subject to certain business risks and uncertainties that could affect future operations and financial performance. Among others, these risks and uncertainties include the ability to generate sufficient revenues and cash flows from current products and services to sustain operations, rapid changes in technology, dependence on key individuals, and the ability to obtain additional capital on terms acceptable to the Company. Further, the Company's customers operate in various global markets and industries, many of which continue to experience financial difficulties and challenges.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligation. The Company is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts and other information. The Company has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable and accrued liabilities.

Tobmar Investments International Inc.
Notes to Financial Statements
December 31, 2017

5. FINANCIAL INSTRUMENTS (Cont'd)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Company is mainly exposed to currency risk.

Currency risk

Currency risk is the risk to the Company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

6. RELATED PARTY TRANSACTIONS

Related party balances are amounts owing to and from companies under common control and are non-interest bearing, unsecured and have no repayment terms.

7. ACCOUNTS RECEIVABLE

	2017	2016 (unaudited)
Accounts receivable	\$ 538,944	\$ 310,330
Allowance for doubtful accounts	(92,663)	-
	\$ 446,281	\$ 310,330

The allowance for doubtful accounts is determined principally on amounts that have been outstanding for greater than 90 days and based on past collection experience and changes in our customer collection trends.

8. COMMITMENTS AND CONTINGENCIES

Legal

The Company is involved in various legal actions from time to time arising in the normal course of business. After review, including consultation with legal counsel, management evaluates the probability of losses under any such matters and considers the need for loss accruals. Management believes any ultimate liability that could arise from these actions not accrued in the accompanying balance sheet would not materially affect the Company's financial position or results of future operations.

9. COMPARATIVE FIGURES

Comparative figures for the year ended December 31, 2016 are unaudited and have been included for comparative purposes only.

TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Woodbridge, Ontario

CONSOLIDATED FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of December 31, 2016
and for the Period

December 23, 2015 (Inception) through December 31, 2016

TOBMAR PM USA, INC. AND SUBSIDIARIES
D/B/A GATEWAY NEWSTANDS

Consolidated Financial Statements

As of December 31, 2016 and for the Period December 23, 2015 (Inception) through
December 31, 2016

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Independent Auditors' Report

To the Stockholders of
Tobmar PM USA, Inc. and Subsidiaries, d/b/a Gateway Newstands

We have audited the accompanying consolidated financial statements of Tobmar PM USA, Inc. and Subsidiaries, d/b/a Gateway Newstands, which comprise the consolidated balance sheet as of December 31, 2016 and the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity, and cash flows for the period December 23, 2015 (inception) through December 31, 2016, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tobmar PM USA, Inc. and Subsidiaries, d/b/a Gateway Newstands as of December 31, 2016 and the results of their operations and their cash flows for the period December 23, 2015 (inception) through December 31, 2016, in accordance with accounting principles generally accepted in the United States of America.

Baker Tilly Virchow Krause, LLP

Tysons, Virginia
August 14, 2017



TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Consolidated Balance Sheet

As of December 31, 2016

Assets	
Current Assets	
Cash and cash equivalents	\$ 759,223
Accounts receivable	2,106,445
Prepaid expenses	69,261
Total current assets	2,934,929
Property and Equipment, net	63,986
Other Assets	
Goodwill, net	25,233,076
Other assets	709,262
Total other assets	25,942,338
Total Assets	\$ 28,941,253
Liabilities and Stockholders' Equity	
Current Liabilities	
Line of credit	\$ 555,000
Accounts payable and accrued liabilities	883,570
Customer deposits, current portion	53,986
Deferred revenue	184,729
Long term debt, current portion	972,027
Supplier rebates billed in advance	513,159
Total current liabilities	3,162,471
Long-Term Liabilities	
Customer deposits, net of current portion	269,176
Long term debt, net of current portion	20,443,905
Total long-term liabilities	20,713,081
Total Liabilities	23,875,552
Stockholders' Equity	
Common stock, voting, \$0.01 par value, authorized 5,000 shares; 1,000 shares issued and outstanding as of December 31, 2016	10
Additional paid-in capital	8,999,529
Accumulated deficit	(3,933,838)
Total Stockholders' Equity	5,065,701
Total Liabilities and Stockholders' Equity	\$ 28,941,253

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

TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Consolidated Statement of Operations and Comprehensive Loss

For the Period December 23, 2015 (Inception) through December 31, 2016

Revenues	
Supplier rebates	\$ 5,960,614
Franchise fees	4,220,183
Total revenues	10,180,797
Costs of Sales	3,454,535
Gross margin	6,726,262
Operating Expenses	
Salaries and wages	2,469,971
Depreciation and amortization	2,571,866
Acquisition expenses	1,763,314
Other expenses	1,715,459
Management fees	478,903
Legal expense	91,851
Total operating expenses	9,091,364
Operating Loss	(2,365,102)
Other (Income) Expenses	
Gain on foreign currency	(1,042,937)
Interest expense	2,121,673
Income tax expense	490,000
Total other (income) expenses	1,568,736
Net Loss	(3,933,838)
Other Comprehensive Loss	
Foreign currency translation	-
Comprehensive Loss	\$ (3,933,838)

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

TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Consolidated Statement of Changes in Stockholders' Equity

For the Period December 23, 2015 (Inception) through December 31, 2016

	Common Stock			Accumulated Foreign Currency Translation	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Additional Paid-In Capital			
Balance, December 23, 2015 (Inception)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of Common Stock	1,000	10	8,999,529	-	-	8,999,539
Foreign Currency Translation	-	-	-	-	-	-
Net Loss	-	-	-	-	(3,933,838)	(3,933,838)
Balance, December 31, 2016	1,000	\$ 10	\$ 8,999,529	\$ -	\$ (3,933,838)	\$ 5,065,701

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

TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Consolidated Statement of Cash Flows

For the Period December 23, 2015 (Inception) through December 31, 2016

Cash Flows from Operating Activities	
Net loss	\$ (3,933,838)
Reconciliation adjustments	
Depreciation	25,408
Amortization of goodwill	2,546,458
Amortization of deferred financing costs	43,782
Gain on foreign currency transactions	(1,042,937)
Changes in assets and liabilities:	
Accounts receivable	(368,549)
Prepaid expenses	(69,261)
Other assets	(202,634)
Accounts payable and accrued liabilities	(1,565,236)
Customer deposits	(3,376)
Deferred revenue	115,413
Supplier rebates billed in advance	482,687
Net cash used in operating activities	(3,972,083)
Cash Flows from Investing Activities	
Acquisition of Gateway Newstands, net of cash	(26,165,173)
Purchase of property and equipment	(7,152)
Net cash used in investing activities	(26,172,325)
Cash Flows from Financing Activities	
Proceeds from line of credit, net	555,000
Proceeds from long-term debt	23,363,211
Payments of deferred financing costs	(286,577)
Payments on long-term debt	(902,542)
Issuance of common stock	8,174,539
Net cash provided by financing activities	30,903,631
Net Change in Cash	759,223
Cash, beginning of period	-
Cash, end of period	\$ 759,223
Non-Cash Financing Activity	
In-kind issuance of common stock	\$ 825,000
Supplemental Cash Flow Information	
Income taxes paid	\$ 203,145
Interest paid	\$ 2,077,890

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

TOBMAR PM USA, INC. AND SUBSIDIARIES

d/b/a GATEWAY NEWSTANDS

Notes to the Consolidated Financial Statements

As of December 31, 2016 and for the Period December 23, 2015 (Inception) through December 31, 2016

NOTE 1 - ORGANIZATION

Tobmar PM USA, Inc. ("Tobmar") and Subsidiaries, d/b/a Gateway Newstands (collectively "the Company"), a Delaware corporation, was formed on December 23, 2015 and, through its subsidiaries, is a franchisor of variety stores and newsstands throughout Canada and the United States. The Company operates under the trade name "Gateway Newstands." Gateway Newstands was established in 1983 and currently there are over 368 franchises that operate as retail outlets and offer candies, cards, gifts, tobacco, and other sundry items in premier locations such as office developments and subway stations. In addition, the Company administers a merchandising program for Gateway Newstands in which the Company will negotiate on an exclusive basis with all manufacturers and suppliers who wish to promote their products in Gateway Newstands.

To facilitate the organization of the Company, the following occurred at capitalization:

- Approximately \$8.2 million in cash was raised through the issuance of common stock
- A \$9 million credit facility was entered into with a third party lender
- A \$14 million subordinated note facility was entered into with a strategic lender

On January 26, 2016, Tobmar purchased all 250 shares of common stock of Tobmar Holdings USA, Inc. The Company's subsidiary, Canco Holdings, Inc. ("Canco Holdings") purchased all 202 shares of common stock and 203 voting shares of Tobmar Holdings Inc., retaining the name Tobmar Holdings, Inc. The Company's subsidiary Tobmar Canco, Inc., purchased all Class A, B, and C common and voting shares of Tobmar Holdings Canada, Inc. and all common shares of Transit Café, Inc., retaining the name Tobmar Newstands, Inc. The total purchase price of the transaction was approximately \$29.1 million net of working capital adjustments and transaction expenses, financed with cash and equity. The Company had no activity prior to this transaction on January 26, 2016.

Subsequent to the transaction, Tobmar has three direct wholly-owned subsidiaries, Tobmar Holdings USA, Inc., holding all United States of America ("U.S.") operations, Tobmar Newstands, Inc., holding all Canada operations, and Tobmar Holdings, Inc. In addition, Tobmar Holdings, Inc. and Tobmar Newstands, Inc. have seven wholly-owned subsidiaries in operations.

The Company's functional currency is Canadian dollars, as such; all amounts disclosed in the accompanying notes to the consolidated financial statements are presented in Canadian dollars, unless otherwise indicated.

Risk Factors - The Company is subject to certain business risks and uncertainties that could affect future operations and financial performance. Among others, these risks and uncertainties include the ability to generate sufficient revenues and cash flows from current products and services to sustain operations, rapid changes in technology, dependence on key individuals, and the ability to obtain additional capital on terms acceptable to the Company. Further, the Company's customers operate in various global markets and industries, many of which continue to experience financial difficulties and challenges.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates - The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. Such estimates and assumptions involve complexity and actual results could vary significantly, which could impact the reported amounts and disclosures in the accompanying consolidated financial statements.

TOBMAR PM USA, INC. AND SUBSIDIARIES

d/b/a GATEWAY NEWSTANDS

Notes to the Consolidated Financial Statements

As of December 31, 2016 and for the Period December 23, 2015 (Inception) through December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The Company consolidates the financial statements of all entities in which it has a controlling financial interest. The Company determines whether it must apply the Voting Interest Model or the Variable Interest Model when evaluating if it has a controlling financial interest. Under the Voting Interest Model, a controlling financial interest is defined by the direct or indirect holding of more than 50 percent of the rights necessary to control an entity. Under the Variable Interest Model, a controlling financial interest is defined by whether or not the Company is considered to be the primary beneficiary of a variable interest entity ("VIE"). The Company's wholly-owned subsidiaries are consolidated under the Voting Interest Model. The Company has concluded that it does not have any variable interests with any VIEs.

Foreign Currency - The financial statements of foreign entities included in the accompanying consolidated financial statements, where the functional currency is not Canadian dollars, are translated into Canadian dollars using market exchange rates at period-end for assets and liabilities and average exchange rates during each reporting period for the consolidated statement of operations and comprehensive loss. Cumulative adjustments resulting from the translation of financial statement are reflected as a component of accumulated other comprehensive loss within consolidated equity. As of December 31, 2016, these cumulative adjustments were not material. Gains and losses arising from foreign currency transactions are recorded in the accompanying consolidated statement of operations and comprehensive loss. For the period December 23, 2015 (inception) through December 31, 2016, approximately \$1,043,000 of foreign currency gain was recognized and is net with other expenses on the accompanying consolidated statement of operations and comprehensive loss.

Cash and Cash Equivalents - The term cash and cash equivalents, as used in the accompanying consolidated financial statements, includes currency on hand and deposits with banks. The Company maintains its cash in accounts, which at times, may exceed federally insured limits. Interest bearing and non-interest bearing accounts held in an insured institution are aggregated and guaranteed by the Canada Deposit Insurance Corporation up to \$100,000. Amounts held in the U.S. are aggregated and guaranteed by the Federal Deposit Insurance Corporation up to \$250,000. The Company has not experienced any losses in such accounts and believes that no significant concentration of credit risk exists with respect to cash and cash equivalents.

Accounts Receivable - Accounts receivable consist of amounts due from customers for royalty, franchise, and rental fees. Accounts receivable are shown net of an allowance for doubtful accounts. The Company evaluates its accounts receivable for collectability on a regular basis, reserving for amounts for which a collection is no longer probable. Management considers all receivables to be collectible as of December 31, 2016 and has not recorded an allowance for doubtful accounts.

Other Assets - As of December 31, 2016, other assets consist primarily of rent deposits and other long-term receivables.

Property and Equipment - Property and equipment are recorded at fair value at acquisition or cost and depreciated on a straight-line basis over the estimated useful lives of the related assets. Furniture and fixtures are depreciated over five years; computer equipment is depreciated over three years, and leasehold improvements are depreciated over the shorter of the useful life of the applicable lease term. Depreciation expense was \$25,408 for the period December 23, 2015 (inception) through December 31, 2016.

TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Notes to the Consolidated Financial Statements

As of December 31, 2016 and for the Period December 23, 2015 (Inception) through December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

As of December 31, 2016, property and equipment consist of the following:

Furniture and fixtures	\$	70,895
Computer equipment		18,499
		89,394
Less: accumulated depreciation		(25,408)
Property and equipment, net	\$	63,986

Deferred Financing Costs - The Company presents long-term deferred financing costs as a direct reduction of its long-term debt liability (Note 4). The Company amortizes long-term debt issuance costs to interest expense using the straight-line method, which approximates the effective interest method.

Income Taxes - Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded for deferred tax assets when it is more likely than not that such deferred tax assets will not be realized.

Revenue Recognition - Operating revenue is substantially derived from initial franchise fees, franchise renewal fees, monthly franchise fees, transfers fees, and supplier rebates. The Company recognized revenue from these sources in the following manner.

- i. Initial franchise fee and franchise renewal fee revenue is recognized in accordance with Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 952-605, *Franchisors Revenue Recognition*. Nonrefundable initial franchise license and franchise renewal fees are recognized once Tobmar has performed substantially all initial services required by the franchise agreement.
- ii. Monthly franchise fee revenue, representing a percentage of franchise monthly sales as specified in each franchise agreement, is recognized each month as sales reports are received from franchisees provided that the collection of the unpaid amounts is probable.
- iii. Franchise transfer fee revenue is recognized at the transfer date of the franchise agreement.
- iv. Supplier rebate revenue arises as a result of supplier contributions for advertising, display, purchase volume incentives, product exclusivity, and merchandizing relating to the operations of the franchisees and is recognized as revenue based on the level of activity with the franchisees during the period. These rebates are shared with franchisees in a manner stipulated in the franchise agreements and are included in cost of sales.

Advertising - Advertising costs are expensed as incurred and are included in other operating expenses in the accompanying consolidated statement of operations and comprehensive loss. Total advertising costs were \$21,019 for the period December 23, 2015 (inception) through December 31, 2016.

TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Notes to the Consolidated Financial Statements

As of December 31, 2016 and for the Period December 23, 2015 (Inception) through December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Significant Customers and Concentrations - As of December 31, 2016, there were no customers that individually accounted for 10 percent or more of total accounts receivable. For the period December 23, 2015 (inception) through December 31, 2016, there were two customers that individually accounted for approximately 10 percent or more of total revenues.

Fair Value Measurements - Under U.S. GAAP, certain assets and liabilities are required to be recorded in the consolidated balance sheet on a recurring basis or measured on a non-recurring basis under certain circumstances at fair value. U.S. GAAP defines fair value as the price that would be received to sell the asset or paid to transfer the liability at the measurement date (an exit price). Measuring fair value generally requires the use of one or more valuation approaches that includes the market, income, or cost approaches. U.S. GAAP also establishes market based observable data as the preferred source of inputs when using such valuation techniques, followed in preference by unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect management assumptions about market conditions in hypothetical transactions. Inputs used in the required valuation techniques are classified according to the following hierarchy:

- Level 1 - Quoted prices for identical instruments in active markets.
- Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3 - Significant inputs to the valuation model are unobservable.

The Company has applied these provisions when measuring impairment of long-lived assets, intangible assets, and goodwill, if present, and when preparing fair value disclosures of its long-term debt.

The Company utilizes the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. As of December 31, 2016, the Company has no assets or liabilities that are required to be recorded at fair value in the Company's consolidated balance sheet on a recurring or nonrecurring basis.

For any financial instruments not recorded in the consolidated balance sheet at fair value, the Company must provide disclosure of the fair value in the footnotes to its consolidated financial statements. As of December 31, 2016, the fair value of all current assets and liabilities approximate their carrying value due to the short-term nature of these instruments. In the absence of a ready market for the Company's long-term debt, the Company evaluates its current borrowing rates for the same or similar instruments in order to estimate the value of its long-term debt. Such evaluation includes consideration of current interest rates, including forward interest rate curves, referenced credit spreads, among others, adjusted for non-performance risk. As of December 31, 2016, the estimated fair value of the Company's long-term debt approximated the carrying value.

Impairment of Long-Lived Assets - For the purpose of evaluating potential impairment, the Company classifies its long-lived assets in two categories: (1) tangible long-lived assets with definite lives subject to depreciation and amortization and (2) goodwill.

TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Notes to the Consolidated Financial Statements

As of December 31, 2016 and for the Period December 23, 2015 (Inception) through December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Tangible Assets Subject to Depreciation and Amortization - This category includes the carrying value of property and equipment. The Company evaluates such assets for impairment when events or changes in circumstances indicate the carrying value of such assets may not be recoverable. The carrying value of such assets is deemed recoverable if the sum of the future undiscounted cash flows associated with such assets (individually or in related groups) exceeds the carrying value. If the sum of the future undiscounted cash flows is less than the carrying value, impairment is then deemed present. Impairment, if any, is then measured based on fair value. The Company has considered whether there were any impairment indicators at December 31, 2016 related to the tangible long-lived assets with definite lives and concluded there were no such indicators of impairment.

Goodwill - The Company recorded approximately \$27,780,000 of goodwill in connection with the purchase transaction (Note 3) which the Company accounted for as a business combination in accordance with ASC 805, *Business Combinations*. Effective December 23, 2015, the Company adopted the accounting alternative that allows entities to elect to amortize goodwill on a straight-line basis over ten years, or a shorter period if an entity is able to demonstrate that another useful life is more appropriate, and began amortizing goodwill using the straight-line method over ten years. For the period December 23, 2015 (inception) through December 31, 2016, amortization expense related to goodwill was approximately \$2,546,000. The Company evaluates the carrying value of goodwill for impairment whenever events occur, or circumstances change, that indicate that the fair value of the Company may be below its carrying amount. The Company has considered whether there were any impairment indicators at December 31, 2016 related to goodwill and concluded there were no such indicators of impairment.

As of December 31, 2016, goodwill consists of the following:

Goodwill	\$ 27,779,534
Less: accumulated amortization	(2,546,458)
Goodwill, net	\$ 25,233,076

Recent Accounting Pronouncements - During February 2015, FASB issued Accounting Standards Update ("ASU") No. 2015-02, *Amendments to the Consolidation Analysis*. ASU No. 2015-02 provides new guidance regarding whether a reporting entity should consolidate certain types of legal entities. Among other things, ASU No. 2015-02 modifies the evaluation of whether limited partnerships and similar entities are variable interest entities or voting interest entities, eliminates the presumption that a general partnership should consolidate a limited partnership, and affects the consolidation analysis of reporting entities that are involved with variable interest entities including those that have fee arrangements and related party relationships. ASU No. 2015-02 is effective for annual periods beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted. The Company is currently assessing the effect that ASU No. 2015-02 will have on its results of operations, financial position, and cash flows.

During November 2015, FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes*. ASU No. 2015-17 requires deferred tax assets and liabilities to be classified as noncurrent in a classified balance sheet. ASU No. 2015-17 is effective for annual periods beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. The Company is currently assessing the effect that ASU No. 2015-17 will have on its results of operations, financial position, and cash flows.

TOBMAR PM USA, INC. AND SUBSIDIARIES

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Notes to the Consolidated Financial Statements

As of December 31, 2016 and for the Period December 23, 2015 (Inception) through December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

During February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU No. 2016-02 is effective for annual periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company is currently assessing the effect that ASU No. 2016-02 will have on its results of operations, financial position, and cash flows.

During May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU No. 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. During 2015 and 2016, FASB also issued ASU No. 2015-14, which defers the effective date of ASU No. 2014-09; ASU No. 2016-08, *Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, which clarifies the implementation guidance on principal versus agent considerations in Topic 606; ASU No. 2016-10, *Identifying Performance Obligations and Licensing*, which clarifies the identification of performance obligations and the licensing implementation guidance; ASU No. 2016-12, *Narrow-Scope Improvements and Practical Expedients*; and ASU No. 2016-20, *Technical Corrections and Improvements to Topic 606*, which both affect narrow aspects of Topic 606. Topic 606 (as amended) is effective for fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The Company may elect to apply the guidance earlier, but no earlier than fiscal years beginning after December 15, 2016. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. The Company is currently assessing the effect that Topic 606 (as amended) will have on its results of operations, financial position, and cash flows.

Subsequent Events - Tobmar has evaluated subsequent events for potential recognition and disclosure through August 14, 2017, the date the accompanying consolidated financial statements were available to be issued.

NOTE 3 - ACQUISITION ACCOUNTING

On January 26, 2016, the Company purchased Tobmar Holdings USA, Inc., Tobmar Holdings, Inc., and Tobmar Holdings Canada, Inc. and subsidiaries for approximately \$29,140,000, net of a working capital adjustment. The purchase allowed the Company to enter the franchisor market for stores and newsstands in Canada and the United States. The purchase included approximately \$4,200,000 of identifiable tangible assets, plus working capital. In addition, the Company recorded, at closing, goodwill totaling approximately \$27,780,000, primarily related to expected synergies to be obtained from franchise agreements. For income tax purposes, the amount of goodwill that is expected to be deductible is approximately \$27,780,000. The Company estimated the fair value of equity issued for the transaction based on price per common stock raised in the equity capitalization. The estimates of fair values for tangible assets acquired and liabilities assumed are determined by management based on various market analyses. Significant judgment is required to arrive at these estimates of fair value and changes to assumptions used could lead to materially different results.

The Company estimated the fair value of these assets using commonly applied methods including the income approach of applying discounted cash flow techniques and using inputs and assumptions it believes a market participant would use in a hypothetical transaction and references to market prices or replacement costs of similar assets.

The Company incurred approximately \$2,050,000 of transaction costs in connection with the January 26, 2016 transaction of which approximately \$380,000 were paid to current investors. The Company capitalized approximately \$287,000 as deferred financing costs. The remaining transaction costs were expensed.

TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Notes to the Consolidated Financial Statements

As of December 31, 2016 and for the Period December 23, 2015 (Inception) through December 31, 2016

NOTE 3 - ACQUISITION ACCOUNTING - CONTINUED

The composition of purchase price, fair value of net assets acquired, and remaining unidentified purchase price or goodwill is summarized as follows:

Total Purchase Price, net of working capital adjustment	\$ 28,315,000
Total Issuance of Common Stock	825,000
Tangible Assets Acquired	
Cash	2,149,827
Accounts receivable and prepaid expenses	1,496,901
Property and equipment	82,242
Other assets	506,628
Total tangible assets acquired	4,235,598
Liabilities Assumed	
Accounts payable and accrued expenses	2,448,806
Deferred revenue	69,316
Other liabilities	357,010
Total liabilities assumed	2,875,132
Net tangible assets acquired, at fair value	1,360,466
Total Remaining Purchase Price, net of Tangible Assets Acquired at Fair Value	27,779,534
Goodwill	\$ 27,779,534

NOTE 4 - LONG TERM DEBT

Credit Facility - On December 18, 2015, Tobmar Canco Inc., now Tobmar Newstands, Inc., entered into a credit facility agreement ("Credit Facility") with a commercial lender. The Credit Facility allows the Company to draw an operating loan ("Line of Credit") with a maximum credit limit equal to the lesser of (a) \$1,000,000, including the face amount of any outstanding undrawn letters of credit (to a maximum of \$500,000) or (b) 75 percent of good grade accounts receivable, net of accounts over 90 days, related accounts and statutory receivables. The Line of Credit must be used to finance working capital and bears interest at the prime rate plus 1.750 percent per annum (4.45 percent at December 31, 2016). The Line of Credit can be drawn on a revolving basis and is due on demand. The Line of Credit matures on April 30, 2017. Additionally, the Credit Facility allows the Company to draw a term loan ("Term Loan") with a credit limit of \$9,000,000. The Term Loan must be used to assist in the acquisition of Gateway Newstands (Note 1) and bears interest at a fixed rate of 4.01 percent. The Term Loan matures on January 26, 2022 and is subject to certain financial covenants, as defined in the agreement. Principal payments totaling \$108,327 are due monthly beginning February 26, 2016 through January 26, 2018 when they increase to \$156,813 per month until maturity. As of December 31, 2016, the outstanding balances of the Line of Credit and Term Loan are approximately \$555,000 and \$8,097,000, respectively. For the period December 23, 2015 (inception) through December 31, 2016, interest expense for the Line of Credit and Term Loan totaled approximately \$5,000 and \$289,000, respectively.

TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Notes to the Consolidated Financial Statements

As of December 31, 2016 and for the Period December 23, 2015 (Inception) through December 31, 2016

NOTE 4 - LONG TERM DEBT - CONTINUED

Related Party Note Agreements - On January 26, 2016, Tobmar entered into a note purchase agreement ("Subordinated Loan 1") with its controlling owner ("Advisor") in the amount of \$3,745,000 USD. The note bears interest at a fixed rate of 16 percent per annum and can be used to fund a portion of the Company's acquisition (Note 3) and to provide growth capital for the Company. Interest only payments are due monthly. At the Company's sole option on any interest payment date, the Company may make an interest payment in cash at 12 percent and defer the remaining portion of the accrued but unpaid interest then due. For the period December 23, 2015 (inception) through December 31, 2016, the Company did not choose to defer any interest payments. All principal and any outstanding interest is due at maturity on January 25, 2022. Additionally, on January 26, 2016, Tobmar Canco, Inc. (now Tobmar Newstands, Inc.) entered into a note purchase agreement (Subordinated Loan 2") with Peninsula in the amount of \$6,355,000 USD. Interest only payments are due monthly. At the Company's sole option on any interest payment date, the Company may make an interest payment in cash at 12 percent and defer the remaining portion of the accrued but unpaid interest then due. All principal and outstanding interest is due at maturity on January 25, 2022. Both the Subordinated Loan 1 and Subordinated Loan 2 are subject to certain financial statement covenants, as defined in their respective agreements, and are secured by all assets of the Company. As of December 31, 2016, the outstanding balance of the Subordinated Loan 1 and the Subordinated Loan 2, after translation into CAD, was \$5,028,411 and \$8,532,858, respectively. For the period December 23, 2015 (inception) through December 31, 2016, interest expense for the Subordinated Loan 1 and Subordinated Loan 2 totaled approximately \$549,000 and \$1,249,000, respectively.

As of December 31, 2016, the future maturities of the Company's outstanding debt are as follows:

	Line of Credit	Term Loan	Related Party Note Agreements	Amortization of Deferred Financing Costs	Total
Year ending December 31, 2017	\$ 555,000	\$ 1,019,790	\$ -	\$ (47,763)	\$ 1,527,027
2018	-	1,599,425	-	(47,763)	1,551,662
2019	-	1,709,264	-	(47,763)	1,661,501
2020	-	1,773,060	-	(47,763)	1,725,297
2021	-	1,839,237	-	(47,763)	1,791,474
Thereafter	-	156,682	13,561,269	(3,980)	13,713,971
	\$ 555,000	\$ 8,097,458	\$ 13,561,269	\$ (242,795)	\$ 21,970,932

NOTE 5 - FRANCHISE FEES

At December 31, 2016, the Company had 368 locations franchised. The components of franchise fee revenue are as follows:

Monthly franchise fees	\$ 3,693,281
Renewal and other franchise fees	326,067
Initial franchise fees	200,835
Total franchise fee revenue	\$ 4,220,183

TOBMAR PM USA, INC. AND SUBSIDIARIES

d/b/a GATEWAY NEWSTANDS

Notes to the Consolidated Financial Statements

As of December 31, 2016 and for the Period December 23, 2015 (Inception) through December 31, 2016

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Legal - The Company is involved in various legal actions from time to time arising in the normal course of business. After review, including consultation with legal counsel, management evaluates the probability of losses under any such matters and considers the need for loss accruals. Management believes any ultimate liability that could arise from these actions not accrued in the accompanying consolidated balance sheet would not materially affect the Company's financial position or results of future operations.

NOTE 7 - INCOME TAXES

The Company records deferred income taxes to reflect the net tax effects of temporary differences, if any, between the carrying amounts of assets and liabilities for financial reporting and the amounts used for income tax purposes. At December 31, 2016, the Company's net deferred tax asset consisted primarily of United States net operating loss carryforwards ("NOLs"). The Company has recorded a valuation allowance against the entire net deferred tax asset, as it is more likely than not that the Company will not be able to benefit from the net deferred tax asset. As a result, the accompanying consolidated financial statements do not reflect a benefit for income taxes. The Company has total United States NOLs for federal income tax purposes of approximately \$640,000 that will expire after 2036. At December 31, 2016, there are no material differences for the carrying amounts of assets and liabilities between financial reporting and income tax reporting within the Canadian subsidiaries.

The income tax provision for the period December 23, 2015 (inception) through December 31, 2016 is as follows:

Current	
Canada	\$ 490,000
United States	-
Deferred Tax Provision	-
Total Income Tax Provision	\$ 490,000

NOTE 8 - RELATED PARTY TRANSACTIONS

Lease Agreement - Tobmar Newstands, Inc. is committed under a lease for premises at 240 Chrislea Road until January 26, 2021. The property is owned by a noncontrolling stockholder in the Company. The Company has two five-year options to extend the lease at the end of the initial lease term. The Company is additionally required to pay all occupancy costs including insurance, maintenance, realty taxes, and utilities. Rent expense for the period December 23, 2015 (inception) through December 31, 2016 totaled \$82,438. Annual minimum rent for the next five fiscal years exclusive to the requirements to pay insurance, maintenance, realty taxes, and utilities is set out below:

Year ending December 31, 2017	\$ 89,933
2018	89,933
2019	89,933
2020	89,933
2021	7,494
	\$ 367,226

TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Notes to the Consolidated Financial Statements

As of December 31, 2016 and for the Period December 23, 2015 (Inception) through December 31, 2016

NOTE 8 - RELATED PARTY TRANSACTIONS - CONTINUED

Management Fees - The Company has entered into separate management agreements with the Advisor and a noncontrolling stockholder in which the Company is required to pay management fees for strategy development, strategic planning, finance, marketing, corporate development, and other advisory services. For each agreement, the Company is required to pay the related parties annual management fees payable monthly in arrears in an aggregate amount not to exceed in any year the lesser of (a) 5 percent of EBITDA of the Company and (b) \$400,000 USD. The management fees shall not be less than \$250,000 USD. For the period January 26, 2016 through December 31, 2016, monthly management fees shall be equal to \$20,833 USD, to be trued up at period end to an amount equal 5 percent of the period's total EBITDA. The Company incurred approximately \$479,000 in management fees for the period December 23, 2015 (inception) through December 31, 2016. All fees have been fully paid as of December 31, 2016.



Independent Auditors' Report on Supplementary Information

To the Stockholders of
Tobmar PM USA, Inc. and Subsidiaries, d/b/a Gateway Newstands

We have audited the accompanying consolidated financial statements of Tobmar PM USA, Inc. and Subsidiaries ("the Company") as of December 31, 2016 and for the period December 23, 2015 (inception) through December 31, 2016, and our report thereon dated August 14, 2017, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information presented in the following schedule, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Virchow Krause, LLP

Tysons, Virginia
August 14, 2017



TOBMAR PM USA, INC. AND SUBSIDIARIES
d/b/a GATEWAY NEWSTANDS

Supplementary Information, Unaudited

For the Period December 23, 2015 (Inception) through December 31, 2016

The Company uses certain financial metrics to evaluate financial performance. One such financial metric management defines as "EBITDA." For this purpose, management defines EBITDA as net comprehensive loss increased or decreased for certain items. Net comprehensive loss is increased for the following items to the extent included in the computation of net comprehensive loss: interest expenses, income taxes, depreciation and amortization, acquisition costs, management fees, consulting fees, and other non-cash losses not expected to recur in future periods.

The following reconciliation was prepared by management based on the definition provided above for the period December 23, 2015 (inception) through December 31, 2016:

Comprehensive Loss	\$ (3,933,838)
Add:	
Depreciation and amortization	2,571,866
Interest expense	2,121,673
Acquisition costs	1,763,314
Consulting fees	331,655
Income tax expense	490,000
Management fees	478,903
EBITDA	\$ 3,823,573

TOBMAR INVESTMENTS INTERNATIONAL INC.
(A WHOLLY-OWNED SUBSIDIARY OF
TOBMAR HOLDINGS USA, INC.)

Financial Statements

For the Period May 1, 2015
through January 25, 2016

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)

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HADLEY & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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June 3, 2016

To Management
Tobmar Investments International Inc.
(a Wholly-Owned Subsidiary of
Tobmar Holdings USA, Inc.)
Woodbridge, Ontario

Management is responsible for the accompanying financial statements of Tobmar Investments International Inc. (a Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.) (a corporation), which comprise the balance sheet as of January 25, 2016, and the related statements of income and retained earnings and cash flows for the period May 1, 2015 through January 25, 2016 in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The supplementary information contained in Schedule B 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Hadley & Associates

Exhibit A

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)
(Incorporated Under the Laws of Nevada)

BALANCE SHEET as of JANUARY 25, 2016
(Expressed in U.S. Dollars)

Assets

Current Assets	
Cash and Cash Equivalents	\$ 23,464
Franchisee Fees and Rebates Receivable	142,480
Construction Costs Recoverable	2,293
Income Taxes Refundable	32,361
Sundry Receivables	67,766
Franchisee Loans Receivable Due Within One Year	<u>25,032</u>

Total Current Assets 293,396

Franchisee Loans Receivable	38,333
Long-Term Receivables	33,500
Advances to Related Corporations	<u>376,484</u>
	<u>741,713</u>

Liabilities and Stockholder's Equity

Current Liabilities	
Accounts Payable and Accrued Liabilities	10,273
Deferred Revenue and Deposits	<u>64,922</u>
	75,195

Total Current Liabilities

Advances from Related Corporation	<u>40,000</u>
-----------------------------------	---------------

Total Liabilities 115,195

Stockholder's Equity	
Common Stock, \$ 1 Par Value,	
Authorized 10,000 Shares,	250
Issued and Outstanding 250 Shares	119,808
Additional Paid-In Capital	<u>506,460</u>
Retained Earnings	

Total Stockholder's Equity 626,518

See Accountant's Compilation Report. \$ 741,713

Exhibit B

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)

STATEMENT OF INCOME AND RETAINED EARNINGS
For the Period May 1, 2015 through January 25, 2016
(Expressed in U.S. Dollars)

Revenues	
Initial Franchisee Fees	\$ 15,500
Monthly Franchisee Fees	693,990
Supplier Rebates	12,899
Transfer Fees	<u>51,567</u>
	773,956
Operating Expenses	<u>764,107</u>
Income Before the Under-Noted and Income Taxes	9,849
Interest Income	<u>151</u>
Income Before Income Taxes	10,000
Income Taxes	<u>3,890</u>
Net Income	6,110
Retained Earnings, May 1, 2015	<u>555,456</u>
	561,566
Dividends Paid	<u>55,106</u>
Retained Earnings, January 25, 2016	\$ <u>506,460</u>

See Accountant's Compilation Report.

Exhibit C

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)

STATEMENT OF CASH FLOWS

For the Period May 1, 2015 through January 25, 2016
(Expressed in U.S. Dollars)

Cash Flows from Operating Activities		
Net Income, Exhibit B	\$	6,110
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:		
(Increase) Decrease in:		
Franchisee Fees and Rebates Receivable		19,696
Construction Costs Recoverable		4,430
Income Taxes Refundable	(	32,361)
Sundry Receivable		24,239
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	(116,663)	
Deferred Revenue and Deposits	<u>23,755</u>	<u>(76,904)</u>
Net Cash Used by Operating Activities		<u>(70,794)</u>
Cash Flows from Investing Activities		
Franchisee Loans Receivable	(	469)
Long-Term Receivables		5,250
Advances to Related Corporations		<u>(284,687)</u>
Net Cash Used by Investing Activities		<u>(279,906)</u>
Cash Flows from Financing Activities		
Advance from Related Corporation		3,382
Dividends Paid		<u>(55,106)</u>
Net Cash Used by Financing Activities		<u>(51,724)</u>
Net Decrease in Cash		<u>(402,424)</u>
Cash, May 1, 2015		<u>425,888</u>
Cash, January 25, 2016, Exhibit A	\$	<u>23,464</u>
See Accountant's Compilation Report.		

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)

OPERATING EXPENSES

For the Period May 1, 2015 through January 25, 2016
(Expressed in U.S. Dollars)

Administrative Expense	\$ 505,066
Advertising	1,071
Bad Debt	1,250
Bank Charges and Interest	1,435
Construction Overruns	64,431
Consulting Fees	140,637
Display Allowance	5,625
Entertainment	3,520
Foreign Exchange Loss	267
Office and General	1,290
Professional Fees	18,708
Registration Fees	10,412
Telephone	2
Travel	<u>10,393</u>
	<u>\$ 764,107</u>

See Accountant's Compilation Report.

TOBMAR INVESTMENTS INTERNATIONAL INC.
(A WHOLLY-OWNED SUBSIDIARY OF
TOBMAR HOLDINGS USA, INC.)

Financial Statements

Years ended April 30, 2015, 2014 and 2013

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)

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INDEPENDENT AUDITOR'S REPORT

July 21, 2015

To the Board of Directors
and Stockholder's,
Tobmar Investments International Inc.

We have audited the accompanying financial statements of Tobmar Investments International Inc., which comprise the balance sheets as of April 30, 2015, 2014 and 2013, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tobmar Investments International Inc. as of April 30, 2015, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information in Schedule B 1, Operating Expenses, is presented for purposes of additional analysis and it is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Hadley + Associates

Exhibit A

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)
(Incorporated Under the Laws of Nevada)

BALANCE SHEETS as of APRIL 30, 2015, 2014 and 2013
(Expressed in U.S. Dollars)

<u>Assets</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Current Assets			
Cash and Cash Equivalents	\$ 425,888	393,349	677,695
Franchise Fees and Rebates Receivable	162,176	151,851	146,804
Construction Costs Recoverable	6,723	4,408	550
Income Taxes Refundable	-	7,306	3,424
Sundry Receivables	92,005	96,578	123,221
Franchise Loans Receivable Due Within One Year	<u>37,896</u>	<u>11,206</u>	<u>34,216</u>
Total Current Assets	724,688	664,698	985,910
Franchise Loans Receivable	25,000	30,000	26,117
Long-Term Receivables	38,750	43,750	52,750
Advances to Related Corporations	<u>91,797</u>	<u>218,816</u>	<u>555,459</u>
	<u>880,235</u>	<u>957,264</u>	<u>1,620,236</u>
<u>Liabilities and Stockholder's Equity</u>			
Current Liabilities			
Accounts Payable and Accrued Liabilities	126,936	43,702	65,523
Deferred Revenue and Deposits	<u>41,167</u>	<u>32,604</u>	<u>72,612</u>
Total Current Liabilities	168,103	76,306	138,135
Advances from Related Corporation	<u>36,618</u>	<u>240,680</u>	<u>434,500</u>
Total Liabilities	<u>204,721</u>	<u>316,986</u>	<u>572,635</u>
Stockholder's Equity			
Common Stock, \$ 1 Par Value, Authorized 10,000 Shares, Issued and Outstanding 250 Shares	250	250	250
Additional Paid-In Capital	119,808	119,808	119,808
Retained Earnings	<u>555,456</u>	<u>520,220</u>	<u>927,543</u>
Total Stockholder's Equity	<u>675,514</u>	<u>640,278</u>	<u>1,047,601</u>
See Notes to Financial Statements.	<u>\$ 880,235</u>	<u>957,264</u>	<u>1,620,236</u>

Exhibit B

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)

STATEMENTS OF INCOME AND RETAINED EARNINGS
For the Years ended April 30, 2015, 2014 and 2013
(Expressed in U.S. Dollars)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues			
Gain on Sale of Assets	\$ -	-	40,000
Initial Franchise Fees	49,000	59,500	146,966
Monthly Franchise Fees	894,871	880,062	984,604
Supplier Rebates	131,622	94,063	156,088
Transfer Fees	163,000	87,100	204,650
	<u>1,238,493</u>	<u>1,120,725</u>	<u>1,532,308</u>
Operating Expenses	<u>1,041,305</u>	<u>1,126,623</u>	<u>1,467,488</u>
Income (Loss) Before the Under-Noted and Income Taxes	197,188	(5,898)	64,820
Interest Income	<u>1,369</u>	<u>1,603</u>	<u>1,121</u>
Income (Loss) Before Income Taxes	198,557	(4,295)	65,941
Income Taxes	<u>63,321</u>	<u>3,028</u>	<u>8,879</u>
Net Income (Loss)	135,236	(7,323)	57,062
Retained Earnings, Beginning of Year	<u>520,220</u>	<u>927,543</u>	<u>1,070,481</u>
	655,456	920,220	1,127,543
Dividends Paid	<u>100,000</u>	<u>400,000</u>	<u>200,000</u>
Retained Earnings, End of Year	\$ <u>555,456</u>	<u>520,220</u>	<u>927,543</u>

See Notes to Financial Statements.

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)

STATEMENTS OF CASH FLOWS

For the Years ended April 30, 2015, 2014 and 2013
(Expressed in U.S. Dollars)

	2015	2014	2013
Cash Flows from Operating Activities			
Net Income (Loss), Exhibit B	\$ 135,236	(7,323)	57,062
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:			
(Increase) Decrease in:			
Franchise Fees and Rebates Receivable	(10,325)	(5,047)	(9,653)
Construction Costs Recoverable	(2,315)	(3,858)	3,116
Income Taxes Refundable	7,306	(3,882)	1,758
Sundry Receivable	4,573	26,643	84,418
Increase (Decrease) in:			
Accounts Payable and	83,234	(21,821)	15,802
Accrued Liabilities	8,563	(40,008)	16,495
Deferred Revenue and Deposits	91,036	(47,973)	111,936
Net Cash Provided by (Used by) Operating Activities	226,272	(55,296)	168,998

(Continued)

Exhibit C

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)

STATEMENTS OF CASH FLOWS

For the Years ended April 30, 2015, 2014 and 2013
(Expressed in U.S. Dollars)

	2015	2014	2013
Cash Flows from Investing Activities			
Franchise Loans Receivable	\$(21,690)	19,127	(51,821)
Long-Term Receivables	5,000	9,000	6,750
Advances to Related Corporations	<u>127,019</u>	<u>336,643</u>	<u>141,610</u>
Net Cash Provided by Investing Activities	110,329	364,770	96,539
Cash Flows from Financing Activities			
Advance from Related Corporation	(204,062)	(193,820)	314,189
Dividends Paid	<u>(100,000)</u>	<u>(400,000)</u>	<u>(200,000)</u>
Net Cash (Used by) Provided by Financing Activities	<u>(304,062)</u>	<u>(593,820)</u>	<u>114,189</u>
Net Increase (Decrease) in Cash	32,539	(284,346)	379,726
Cash, May 1	<u>393,349</u>	<u>677,695</u>	<u>297,969</u>
Cash, April 30, Exhibit A	<u>\$ 425,888</u>	<u>393,349</u>	<u>677,695</u>

(Continued)

Exhibit C

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)

STATEMENTS OF CASH FLOWS

For the Years ended April 30, 2015, 2014 and 2013
(Expressed in U.S. Dollars)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
SUPPLEMENTAL DISCLOSURES			
Interest Paid	\$ <u>-</u>	<u>-</u>	<u>-</u>
Income Taxes Paid	\$ <u>12,479</u>	<u>8,229</u>	<u>7,121</u>

Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At April 30, 2015, 2014 and 2013, the Company held no cash equivalents.

See Notes to Financial Statements.

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)

NOTES TO FINANCIAL STATEMENTS

April 30, 2015, 2014 and 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

The Company franchises news stands to owner/operators throughout the United States. The Company also arranges leases with the landlord and bills the franchisee a fixed cost for the store (leasehold improvements). The Company has revenue stream from initial franchise fees, monthly franchise fees, transfer of location fees, and supplier rebates.

Organization

The Company was incorporated on December 20, 1989 under the laws of the State of Nevada.

Uses of Estimates

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

Foreign Currency Translation

Certain monetary assets are maintained in Canadian currency. In addition, certain income is received and certain expenses are paid in Canadian currency. The gain or loss recognized as a result of the exchange rate difference on completed transactions is included as an operating income (expense) item. Translation adjustments attributable to assets and liabilities denominated to foreign currency are not material.

Franchise Fees Receivable

Franchise fees receivable are carried at amount due, net of amounts estimated to be uncollectible.

Accounts and Loans Receivable

Accounts and loans receivable are reported at the amount management expects to collect from outstanding balances. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts and loans receivable.

NOTE 1 (Continued)

Advertising

The Company expenses advertising communication costs the first time the advertising takes place.

Federal Income Tax

The provisions for Federal income tax are based on elements of income and expense as reported in the statements of income and retained earnings.

The Federal income tax returns of the Company for the years ended April 30, 2015, 2014, 2013, and 2012 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

NOTE 2 CONSTRUCTION COST RECOVERY

The Company has fixed price contracts with owner/operators to build a store on leased premises. The owner/operator pays a fixed amount for such service and any difference between the final construction contract cost and reimbursement by owner/operator is recorded as income or expense as appropriate.

NOTE 3 FRANCHISE LOANS RECEIVABLE

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Franchise Loans Receivable	\$ 62,896	41,206	60,333
Less Amounts Due Within One Year	<u>37,896</u>	<u>11,206</u>	<u>34,216</u>
	<u>\$ 25,000</u>	<u>30,000</u>	<u>26,117</u>

These loans bear interest at rates varying between 0% and 9% per annum. These loans are unsecured.

NOTE 4 LONG-TERM RECEIVABLES

The Company has advanced money to certain franchisees in anticipation of certain programs providing income to the franchisee. It is management's determination that such amount will be recovered from the franchisees in future years.

NOTE 5 RELATED PARTY TRANSACTIONS

Related party transactions are as follows.

Advances to related corporations:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tobmar International, Inc. (USA)	\$ 83,214	110,759	48,027
Tobmar Holdings USA, Inc. (USA)	<u>8,583</u>	<u>108,057</u>	<u>507,432</u>
	<u>\$ 91,797</u>	<u>218,816</u>	<u>555,459</u>

The advances to related corporations are due from the corporation's parent corporation and corporations controlled by the parent corporation and shareholders of the parent corporation. These advances are non-interest bearing, unsecured and have no fixed terms of repayment. The corporation has agreed not to request repayment of any portion of these advances during the next fiscal year and accordingly, these advances are classified as non-current assets.

Advances from related corporation:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tobmar Newstands Inc. (Canada)	\$ <u>36,618</u>	<u>240,680</u>	<u>434,500</u>

The advances from related corporation are to a corporation controlled by the shareholders of the parent Corporation. The advances are non-interest bearing, unsecured and have no fixed terms of repayment. The related corporation has agreed not to request repayment of any portion of these advances during the next fiscal year and accordingly, these advances are classified as non-current liabilities.

Management Fees

The Corporation has incurred expenses with a corporation controlled by the shareholders of the parent Corporation, for rentals of office space and other administration services for the years ended April 30, 2015, 2014 and 2013 at the exchange amounts of \$ 643,149, \$ 738,891, and \$ 932,372, respectively.

NOTE 6 FEDERAL INCOME TAX

The Company's provision for income taxes differs from applying the statutory U.S. federal income tax rate to income before income taxes. The primary differences result from providing for state income taxes and from deducting certain expenses for financial statement purposes but not for federal income tax purposes.

NOTE 7 CONCENTRATION OF CREDIT RISK

The Company grants credit to franchisees substantially all of who are local owner/operators of newsstands. In addition, accounts receivable contain known rebates from suppliers.

The Company's cash deposits with Royal Bank of Canada are in excess of federally insured limits.

The Corporation's financial instruments include cash and cash equivalents, franchisee fees receivable, construction costs recoverable, franchisee loans receivable, advances to and from related corporations and accounts payable and accrued liabilities. The carrying value of these instruments approximates fair value except for advances to and from related corporations. The fair value of advances to and from related corporations are not disclosed, as they are not readily determinable.

In management's opinion, the Corporation is not exposed to significant currency, credit or interest rate risk.

NOTE 8 SUBSEQUENT EVENT

Date of Management Evaluation

Management has evaluated subsequent events through July 21, 2015, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Schedule B 1

Tobmar Investments International Inc.
(A Wholly-Owned Subsidiary of Tobmar Holdings USA, Inc.)

OPERATING EXPENSES

For the Years ended April 30, 2015, 2014 and 2013
(Expressed in U.S. Dollars)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Administrative Expense	\$ 643,149	738,891	932,372
Advertising	11,056	7,006	4,460
Bank Charges and Interest	2,002	2,797	2,357
Commissions	1,700	6,500	10,245
Construction Overruns	6,940	1,220	77,061
Consulting Fees	206,217	167,444	164,537
Display Allowance	69,998	56,099	78,392
Entertainment	4,270	5,501	5,986
Foreign Exchange (Gain) Loss	(1,485)	9,141	(1,108)
Office and General	1,663	852	717
Professional Fees	56,776	31,294	41,601
Registration Fees	6,668	3,726	5,217
Store and Rental Expense	18,595	74,393	125,069
Telephone	21	179	16
Travel	<u>13,735</u>	<u>21,580</u>	<u>20,566</u>
	<u>\$ 1,041,305</u>	<u>1,126,623</u>	<u>1,467,488</u>

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
East Promenade Level
955 Lenfant S.W., Unit 804
Washington, D.C. 20024
(202) 554-2109 (store)

Franchisee:

LP Newsstand LLC (Vishnu Patel)
65 Balancing Rock Rd.
Canton, MA 02021
(917) 885-8586 (cell)

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) 223-3322 (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
(773) 874-8579 (store)

Franchise:

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

Gateway Newstands

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

Franchisee:

Star Newsstand, Inc. (Niraj Shah)
3425 Springdale Ave.
Glenview, Illinois 60025
(224) 766-6669 (cell)

Gateway Newstands

2 North Riverside Plaza
Chicago, Illinois 60606
(312) 268-2073 (store)

Franchisee:

Our Shreeji Inc. (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
(224) 535-0045 (home)

Gateway Newstands

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
1905 Oxley Circle
Naperville, Illinois 60563
(630) 640-7283 (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
Desplaines, 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:

Shiv Enterprises (B M Nagak)
80205 Latrobe Avenue
Burbank, Illinois 60459
(773) 209-3164 (cell)

Gateway Newstands

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

Franchisee:

Radha Newstand Inc. (Priyank Patel)
1905 Oxley Circle
Naperville, Illinois 60563
(630) 640-7283 (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
(773) 209-3164 (store)

Franchisee:

Aisp, Inc. (Sagar Naik)
7637 Leclair Avenue
Burbank, Illinois 60459-1539
(708) 663-6650 (cell)

Gateway Newstands

Chicago Transit Authority
Orange Line/Halsted
2520 South Archer Avenue
Chicago, Illinois
(773) 480-0409 (store)

Franchisee:

Uma Naik
5810 W. 87 Street, Apt. #2B
Burbank, Illinois 60459
(773) 480-0499 (home)

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
65 Balancing Rock Rd.
Canton, MA 02021
(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
(771) 712-0812 (cell)

Gateway Newstands

404 North Wabash Avenue
Chicago, Illinois 60611
(630) 893-2299 (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:

Mavlen Inc. (Kishor Kamdar)
2245 Castilian Circle
Northbrook, Illinois 60602
(847) 338-4898 (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:

Star Newstand Inc. (Niraj Shah)
3425 Springdale Ave.
Glenview, Illinois 60025
(224) 766-6669 (cell)

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
(773) 812-2250 (store)

Franchisee:

Sarika Food Inc. (Ninal K Patel)
4811 N. Harding Ave., Apt. 119
Chicago, Illinois 60625
(312) 515- 8550 (cell)

Gateway Newstands

525 West Monroe
Suite 01-E
Chicago, Illinois 60661
(773) 732-4402 (cell)

Franchisee:

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

Gateway Newstands

222 N. LaSalle Street
Chicago, Illinois 60601
(312) 346-2854 (store)

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

150 North Riverside
Lobby Level
Chicago, Illinois 60606
(630) 640-7283 (store)

Franchisee:

Radha Newstand Inc. (Priyank Patel)
1905 Oxley Circle
Naperville, Illinois 60563

(630) 640-7283 (cell)

Gateway Newstands
Water Tower Place
835 N. Michigan Ave., Unit #1010
Chicago, Illinois 60611
(NOT YET OPENED)

Franchisee:
Vinus Patel
6041 N. Pulaski Rd.
Chicago, Illinois 60646
(773) 580-2434(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)
65 Balancing Rock Rd.
Canton, MA 02021
(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
(781) 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) 532-7428 (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) 233-8500 (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
(617) 267-5506 (store)

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)
65 Balancing Rock Rd.
Canton, MA 02021
(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
(917) 885-8586 (cell)

Gateway Newstands

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

Franchisee:

Fashion News LLC (Vishnu Patel)
65 Balancing Rock Rd.
Canton, MA 02021
(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)
65 Balancing Rock Rd.
Canton, MA 02021
(917) 885-8586 (cell)

Gateway Newstands

300 Park Avenue
New York, New York 10022
(212) 207-8744 (store)

Franchisee:

S & T News Inc. (Haresh & Renu Gulrajani)
138 - 15 Franklin Ave., #426
Flushing, NY, 11355
(718) 939-6230 (home)

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
(347) 589-3920 (cell)

Franchisee:
A & B Park Avenue(Mona Shah)
43-70 Kissena Boulevard, Apt. 2B
Flushing New York 11355
(347) 589-3920 (cell)

Gateway Newstands
The 633 Third Avenue Condominium
633 Third Avenue
Manhattan, New York
(646) 321-8499 (store)

Franchisee:
D & D Lobby Newstand Inc. (Nahari Patel)
86-42 St. James,Apt. B12
Elmhurst, New York 11373
(646) 321-8499 (cell)

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

Franchisee:
Harshad Patel
148 Meadow Rd.
Rutherford, New Jersey 07070
(901) 496-8559 (cell)

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

Franchisee:
Tiru LLC (Sandipkumar Parikh and
Falguni Parikh)
63-31 110th Street
Forest Hills, New York 11375
(347) 334-2891 (cell)

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)
65 Balancing Rock Rd.
Canton, MA 02021
(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)
65 Balancing Rock Rd.
Canton, MA 02021
(917) 885-8586 (cell)

Gateway Newstands

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

Franchisee:

Exclusive News LLC (Vishnu Patel)
65 Balancing Rock Rd.
Canton, MA 02021
(917) 885-8586 (cell)

Gateway Newstands

Chelsea Market
75 Ninth Avenue
New York, New York 10011
(212) 206-8338 (store)

Franchisee:

Chelsea News LLC (Vishnu Patel)
65 Balancing Rock Rd.
Canton, MA 02021
(917) 885-8586 (cell)

Gateway Newstands

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

Franchisee:

Ferry Newsstand LLC (Vishnu Patel)
65 Balancing Rock Rd.
Canton, MA 02021
(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)
65 Balancing Rock Rd.
Canton, MA 02021
(917) 885-8586 (cell)

Gateway Newstands

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

Franchisee:

AOA Newsstand LLC (Vishnu Patel)
65 Balancing Rock Rd.
Canton, MA 02021
(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)
65 Balancing Rock Rd.
Canton, MA 02021
(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)
65 Balancing Rock Rd.
Canton, MA 02021
(917) 885-8586 (cell)

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

Franchisee:
Kiran Chand Dhariwal
147 – 11B Roosevelt Avenue
Flushing, New York 11354

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)
65 Balancing Rock Rd.
Canton, MA 02021
(917) 885-8586 (cell)

Gateway Newstands
Paramount Hotel
235 West 46th Street
New York, New York
(212) 221-1126 (store)

Franchisee:
Time Newsstand LLC (Vishnu Patel)
65 Balancing Rock Rd.
Canton, MA 02021
(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
(617) 747-5483 (cell)

Gateway Newstands
World Trade Center

185 Greenwich St., Unit #LL1210
E-Train Concourse
New York, New York 10007
(212) 267-7860 (store)

Franchisee:

Freedom Tower News Inc.
(Raffie Hadi Bhai)
418 Old Court House Rd.
New Hyde Park, New York 11040
(917) 771-8762 (cell)

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

Franchisee:

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

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

Franchisee:

Kanu Patel
10 Rosann Drive
Roslyn, New York 11576
(516) 747-1964 (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
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)

Gateway Newstands

MTA – 96th Street
Second Avenue Line
Manhattan, NY
(NOT YET OPENED)

Franchisee:

96 Street News LLC (Vishnu Patel)
65 Balancing Rock Rd.
Canton, MA 02021
(917) 885-8586 (cell)

Gateway Newstands

MTA – 86th Street
Second Avenue Line
Manhattan, NY
(NOT YET OPENED)

Franchisee:

86 Street News LLC (Vishnu Patel)
65 Balancing Rock Rd.
Canton, MA 02021
(917) 885-8586 (cell)

Gateway Newstands

MTA – 72nd Street
Second Avenue Line
Manhattan, NY

(NOT YET OPENED)

Franchisee:

72 Street News LLC (Vishnu Patel)

65 Balancing Rock Rd.

Canton, MA 02021

(917) 885-8586 (cell)

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 Newstands

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

(856) 905-0410 (cell)

Gateway Newstands

Septa Building

1234 Market Street

Philadelphia, PA 19107

(215) 988-0476 (store)

Franchisee:

CKA1 Enterprises, LLC

(Caroline Abdelmalak)

913 Mennonite Road

Royersford, PA 19468

(484) 931-2212 (home)

Gateway Newstands

The Shops at Liberty Place

1625 Chestnut Street, Unit #108

Philadelphia, PA 19103

(917) 754-0140 (cell)

Franchisee:

Maa Jay Umiya Corp (Mukesh I Patel)

80-21 138th Street

Briarwood, NY 11435

(917) 754-0140 (cell)

TEXAS

Gateway Newstands

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

Franchisee:

Faiza M. Jiواني
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
(773) 220-1587 (cell)

Gateway Newstands

Millennium Center
North Tower
222 West Las Colinas Blvd.
Suite 122
Irving, Texas 75039
(469) 677-1686 (store)

Franchisee:

Kamal Ali
3631 Waynoka Drive
Carrollton, Texas 75007
(469) 583-6177 (cell)

Gateway Newstands

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

Franchisee:

Zulfiqar R. Jiwani
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

Northpointe Crossing
1501 Northpointe Lane
College Station
Houston, Texas 77840
(832) 576-4985 (cell)

Franchisee:

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

Gateway Newstands

One Hughes Landing
1725 Hughes Landing Blvd., Suite 101
The Woodlands, Texas 77380
(NOT YET OPENED)

Franchisee:
Sadru A. Premji
10202 Garden Glen
Missouri City, Texas 77459
(281) 778-1166 (home)

VIRGINIA

Gateway Newstands

Crystal City Shops

1691 Crystal City Shops
Arlington, Virginia
(571) 551-2197 (store)

Franchisee:

CC Newstand LLC (Vishnu Patel)

65 Balancing Rock Rd.
Canton, MA 02021
(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.

ILLINOIS

Gateway Newstands

The Civic Opera Building
20 North Wacker Drive, Suite 3820
Chicago, Illinois 60606

Franchisee:

Sherali Pirani
548 Leamington Ave.
Wilmette, Illinois 60091
(847) 912-7895 (cell)

Reason for Termination: Lease Expired
Date of Termination: March 31, 2017

Gateway Newstands

175 West Jackson
Chicago, Illinois 60604

Franchisee:

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

Reason for Transfer: Resale of Franchise to Franchisee
Date of Transfer: December 29, 2017

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
(773) 209-3164 (cell)

Reason for Transfer: Resale of Franchise to Franchisee
Date of Transfer: April 1st, 2017

Gateway Newstands

233 North Michigan Avenue
Concourse Level, Space C018
Chicago, Illinois 60601

Franchisee:

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

Reason for Transfer: May 31st, 2017
Date of Transfer: Resale of Franchise to Franchisee

Gateway Newstands

Northwestern Memorial Hospital
Outpatient Care Pavilion
Space OCP02-230, Second Floor
259 East Erie Street
Chicago, Illinois 60611

Franchisee:

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

Reason for Termination: Early Termination of Lease**Date of Termination: October 31st, 2017****Gateway Newstands**

Chicago Transit Authority
Blue Line/Logan Square
2610 N Milwaukee Ave.
Chicago, Illinois

Franchisee:

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

Reason for Termination: Early Termination**Date of Termination: August 31, 2017****NEW YORK****Gateway Newstands**

Lincoln Building
60 East 42nd Street, Lobby Store #1
New York, New York 10165

Franchisee:

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

Reason for Transfer: January 1st, 2017**Date of Transfer: Resale of Franchise to Franchisee****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)

Reason for Transfer: December 31, 2017**Date of Transfer: Resale of Franchise to Franchisee**

PENNSYLVANIA

Gateway Newstands

1818 Market Street
Philadelphia, PA 19103

Franchisee:

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

Reason for Termination: Lease Expired

Date of Termination: June 23rd, 2017

EXHIBIT I

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[See Attached]

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EXHIBIT J

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, Transfer and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer 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

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
4. Your rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

INDIANA

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement, the other agreements or Arizona law if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall supersede the provisions of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the Disclosure Document and the Franchise Agreement are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

“Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.

At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney’s fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the Franchisee’s right to a trial on any of the above matters.”

4. No release language set forth in the Disclosure Document or Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. The Franchise Agreement is amended to provide that such agreement will be construed in accordance with the laws of the State of Indiana.
6. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement issued in the State of Indiana.

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. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust,

trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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.

1. **Amendments to Franchise Agreement.**

(a) Illinois law governs the Franchise Agreement.

(b) In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

(c) In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

(d) Your rights upon termination and non-renewal are set forth in sections 19 and 20 of 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. All initial fees and payments shall be deferred until such time as we complete our initial obligations.

7. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. 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):

Mary Kelly, 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, (905) 851-9652
Nancy Chamberlain, 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, (905) 851-9652
Ken Pollina, 918 W. Winona, Chicago, Illinois 60640; (773) 251-7543
Steven Tennant, 240 Chrislea Road, Woodbridge, Ontario, Canada L4L 8V1, (905) 851-9652
Christopher Radjpaul, 918 East 55th Street, Brooklyn, New York, (929) 322-5008

The issuance date of this Franchise Disclosure Document is August 16, 2018 (amended October 10, 2018).

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 August 16, 2018 (amended October 10, 2018) 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	Table of Contents of Operating Manuals
Exhibit J	State Addenda and Agreement Riders (including sample general release)

Print Name

Date

(Signature) Prospective Franchise Owner

RECEIPT

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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.]

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Exhibit H	List of Franchisees Who Have Left the System
Exhibit I	Table of Contents of Operating Manuals
Exhibit J	State Addenda and Agreement Riders (including sample general release)

Print Name

Date

(Signature) Prospective Franchise Owner
