FRANCHISE DISCLOSURE DOCUMENT

OSMOW'S FZ CORP.

a Delaware Corporation

Matheson Blvd East
Mississauga, Ontario, Canada
L4Z 2H2
624-5546
www.us.osmows.com

The Franchisee will operate a single quick service restaurant, that also offers catering, specializing in the preparation and sale of Mediterranean and Middle Eastern cuisine and other food and beverage items under the trade name Osmow's®.

The total investment necessary to begin operation of an Osmow's franchise is from $609,897 - $833,117. This includes $466,300 - $651,300 that must be paid to us.

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 government agency has verified the information contained in this document.

You may wish to receive your Disclosure Document in another format that is more convenient to you. To discuss the availability of disclosure in different formats, contact the Osmow's legal department at 407 Matheson Blvd. East, Mississauga, Ontario, Canada L4Z 2H2, (905) 624-5546 ext. 226, team-legal@osmows.com.

The terms of your Franchise Agreement will govern your franchise relationship. Don't rely on this Disclosure Document alone to understand your Franchise Agreement. Read all of your Franchise Agreement carefully. Show your Franchise Agreement and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this Disclosure Document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your State Agency or visit your public library for other sources of information on franchising.

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

Issuance Date: May 23, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit H includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will by business be the only Osmow's business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Osmow's franchisee?	Items 20 or Exhibit G lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Short Operating History**. The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

4. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

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

To simplify language in this Disclosure Document, "**we**", "**us**" or "**Osmow's**" means, Osmow's FZ Corp., the franchisor. "**You**" means the person, partnership, limited liability company or corporation who buys the franchise and where applicable includes each Equity Owner. "**Equity Owner**" means any natural person who owns an equity interest in the partnership, limited liability company or corporation who buys the franchise.

The Franchisor

We are a corporation, incorporated in Delaware on March 11, 2021. We currently do business under the names "**Osmow's FZ Corp**." and "**Osmow's**". We do not do business under any other name. We were originally incorporated under the name Osmow's FL Corp. but changed our name to Osmow's FZ Corp. on January 19, 2022. We never conducted business under the name Osmow's FL Corp. Our principal business address is 407 Matheson Blvd. East, Mississauga, Ontario, Canada L4Z 2H2. The telephone number is (905) 624-5546 and the fax number is (888) 416-4659. Our agents for service of process are disclosed in Exhibit B to this Disclosure Document.

The Franchisor's Business

We offer and sell franchises in the United States for the Osmow's business concept which involves a marketing plan and system for the development, opening and operating of quick service restaurants, that also offer catering, specializing in the sale of Mediterranean and Middle Eastern cuisine and other food and beverage items (the "**System**"). We have been offering Osmow's franchises since October 2022.

We currently own and operate one Restaurant in Florida, located at 12801 West Sunrise Blvd, Sunrise, Florida, 33323. Our affiliate, Osmow's US Corp., owns and operates two Restaurants, located at F-204, 1 Walden Galleria, Buffalo, New York, 14225, and 10141 West Flagler Street, Unit D 110, Miami, Florida, 333174. We have never offered franchises in any other line of business.

Osmow's Franchise

Under the franchise agreement, which is Exhibit C to this Disclosure Document (the "**Franchise Agreement**"), we offer qualified purchasers the right to establish and operate, from a single location, a quick service restaurant, that also offers catering, specializing in the preparation and sale of Mediterranean and Middle Eastern cuisine and other food and beverage items. In this Disclosure Document, the franchised business will be referred to as the "**Restaurant**". The Franchise Agreement gives you the right to operate the Restaurant under the name and mark Osmow's and all other current or future trade names, service marks, trademarks and related logos that we designate as part of the System. In this Disclosure Document, we will refer to these names, marks and logos as "**Names and Marks**". You must operate the Restaurant in accordance with the standards and procedures that we establish, including those in our Osmow's Restaurant Training and Operations Manual (the "**Restaurant Training and Operations Manual**"), which we may change during the term of the Franchise Agreement. Osmow's restaurants are approximately 1,100

to 1,500 square feet; however the size and layout can vary depending on a specific location. Osmow's restaurants are typically located in suburban areas or urban areas with commercial buildings.

If you are a business entity, then each of your equity owners must guaranty all of your obligations to us. Our form of Personal Guarantee and Postponement is attached as Schedule 2 to the Franchise Agreement. As security for the performance of all of your obligations to us, you are required to execute a General Security Agreement granting security to us over the assets of your Restaurant. Our form of General Security Agreement is attached as Schedule 3 to the Franchise Agreement.

You should check with federal, state, county and local government agencies to determine what licensing requirements may apply to the operation of the Restaurant. In addition to laws and regulations that apply to businesses generally, the Restaurant is subject to federal, state, and local regulations governing the food service industry. The Food and Drug Administration, the United States Department of Agriculture and food industry organizations, including the National Restaurant Association, have established rules affecting the restaurant business. You must be knowledgeable on federal, state, and local health and consumer protection laws and regulations concerning food preparation, handling and storage, "Truth in Menu" concerning menu item names and product labeling, nutritional claims, and access to the Restaurant by persons with disabilities (under the federal Americans with Disabilities Act). You should also be aware of federal, state, and local labor regulations, including minimum-age and minimum-wage laws. You should investigate local zoning rules because they may limit where you can locate a restaurant and may affect design features, including the building façade and signs. You should also be aware of federal, state and local environmental laws that may affect the disposal of waste materials and the packaging you may use. If you operate the Restaurant from a university or college location, you may be subject to university or college regulations which dictate how and when you can operate the Restaurant. If you operate the Restaurant in a school, you should be aware of laws and regulations which may set nutritional requirements and affect governmental subsidies. You should also be aware of federal, state, and local data privacy laws that may affect your collection, storage, and sharing of your customers' personal information. You will be responsible for researching and complying with any and all such laws, regulations, and requirements. The details of state, county and local laws and regulations vary from place to place. You must research these matters.

The United States market for restaurants specializing in Mediterranean and Middle Eastern cuisine is mature. It is primarily people between the ages of 13 and 35 who purchase the menu items Osmow's restaurants sell, including individuals, families and business people. Your competitors include local specialty restaurants, national franchise organizations and other types of businesses that are similar to ours. You may find that the Restaurant has wide variations in sales due to seasonal changes in population or taste. This is especially true if the Restaurant is in a university, college or school location.

Parents, Predecessors, and Affiliates

The following are our parent companies (that is, they control us directly and indirectly).

Name and Address	Business
Osmow's Holding Inc. 407 Matheson Blvd. East, Mississauga, Ontario, Canada L4Z 2H2	Owns all of our shares and is a holding company.
Ontario Inc. Matheson Blvd. East, Mississauga, Ontario, Canada L4Z 2H2	Owns all of Osmow's Holding Inc.'s shares and is a holding company.

The following company is our domestic affiliate (that is, it controls, is controlled by, or is under common control with, us and either offer franchises or provide products or services to our franchisees):

Name and Address	Business
Osmow's US Corp. 10141 Flagler St. #110 Miami, Florida 33174	Currently operates an Osmow's restaurant in Miami, Florida since June 2022 and we provide franchisee training at this restaurant. Also operates an Osmow's restaurant in Buffalo, New York since August 2023 and Sunrise Florida since December 2024.

Our domestic affiliate is not engaged in any other line of business and has never offered franchises in any line of business.

The following companies are our foreign affiliates (that is, they control, are controlled by, or are under common control with, us and either offer franchises or provide products or services to franchisees either inside and/or outside the United States):

Ontario Inc. ("**147**") 407 Matheson Blvd. East Mississauga, Ontario, Canada L4Z 2H2	Owns the intellectual property rights that are part of the System and licenses them to us. Also owns and operates two corporate locations in Canada. It opened its first corporate location in 2001.
Osmow's Commissary Ltd. ("**OCL**") 407 Matheson Blvd. East Mississauga, Ontario	Owns and operates the commissary which supplies our franchise system (the "**Commissary**"). You are required to purchase certain of the products per your franchise agreement.
1000932969 Ontario Inc.	Owns Canadian Intellectual Property and licenses to our foreign affiliates in Canada.
Canada L4Z 2H2	the operation of your Restaurant from the Commissary (see Item 8 below).
Osmow's Inc. Matheson Blvd. East Mississauga, Ontario Canada L4Z 2H2	Offers franchises in Canada and provides training to Canadian franchisees. It also supports our franchise operations in the United States. It also owns and operates two corporate locations in Canada. It opened its first corporate location in 2010.
Osmow's Ltd. ("**OL**") 407 Matheson Blvd. East Mississauga, Ontario Canada L4Z 2H2	Subleases locations to franchisees in Canada.

Our affiliate, Osmow's Commissary Ltd. ("**OCL**"), is an Ontario corporation incorporated on October 12, 2017. OCL owns and operates the commissary which supplies our franchise system (the "**Commissary**"). You are required to purchase certain proprietary products and other specified items necessary for the operation of your Restaurant exclusively from the Commissary or other approved suppliers(see Item 8 of this Disclosure Document). OCL has never and does not currently grant franchises under any other banner or mark.

Our affiliate 1474031 Ontario Inc. ("**147**") is an Ontario corporation incorporated on April 25, 2001. From April 2001 until June 7, 2017, 147 owned and operated the Osmow's restaurant located at Suite 1, 251 Queen Street South, Mississauga, Ontario, L5M 1L7 ("**Osmow's Streetsville**") before selling the restaurant to a franchisee. From June 2012 until April 30, 2017, 147 also owned and operated the Osmow's restaurant located at 155 John Street, Toronto, Ontario M5T 1X3 ("**Osmow's Toronto**"). Osmow's Toronto was relocated to 611 Queen Street West, Toronto, Ontario, M5V 2B7 and reopened on May 22, 2017. This location was operated by 147 until February 1, 2025, when we franchised the restaurant to the current franchisee. As of January 15, 2021, 147 owns and operates the store at 351 College St., Toronto, ON, ("**Osmow's College**").

Osmow's College and Osmow's Toronto pay Royalty Fees and make contributions to the Marketing Fund in respect of its Osmow's restaurants.

Our Affiliate Osmow's Ltd. is an Ontario corporation incorporated on January 11, 2017. We may require you to sublease your Location from Osmow's Ltd. pursuant to the terms of the Sublease attached to this Disclosure Document as Exhibit "**2**".

Our affiliate Osmow's Limited is a British Columbia corporation incorporated on November 20, 2018. Its registered office is 2912 W. Broadway, Vancouver, BC, V6K 2G6. Osmow's Limited was registered extra-provincially in Alberta in May 2019. Its registered office is 9330 14th Ave SW, Calgary, AB, T3H 0M1.

Osmow's Hope Fund is a registered charity and regularly engages in charitable activities in the local community.

Prior Experience

Osmow's Streetsville was the first Osmow's restaurant opened by our Founder, Sam Osmow in April 2001. This location was previously a submarine sandwich restaurant called Polar Submarine founded and operated by Mr. Osmow. In 2001, Mr. Osmow decided to change the restaurant's concept to Mediterranean and Middle Eastern cuisine and rebranded the restaurant as Osmow's Grill. We began offering Osmow's franchises for sale in 2010 under the name "**Osmow's Grill**". In 2011, the name "**Osmow's Grill**" was changed to "**Osmow's**", and all Osmow's Grills were rebranded as Osmow's.

In March 2015, we granted one franchise for a food truck under the name Osmow's. Our franchisee operated the food truck at various summer parades and other events throughout Ontario from March 2015 to October 2015. The food truck offered a limited number of items that are also offered at Osmow's restaurants. On April 7, 2017, we purchased the food truck from the franchisee and agreed to terminate the franchise agreement upon the request of the franchisee due to personal circumstances of its principal. We have only granted one food truck franchise. We have not offered food truck franchises since that one grant nor do we intend to in the future as of the date of this disclosure document. We currently only use the food truck for promotional and marketing purposes (e.g., to provide free samples at an Osmow's restaurant grand opening) as well as for special events or catering purposes.

In 2016, we granted one franchise for a larger restaurant format under the name "**Osmow's Plus**". This Osmow's Plus restaurant is located at 5955 Latimer Driver, Mississauga, Ontario and opened in April 2017. In March 2019 we repurchased the Osmow's Plus restaurant from the Franchisee and terminated the franchise agreement because of the franchisee's default of its obligations under the franchise agreement and we intend to sell it to another franchisee in the future. Osmow's Plus restaurants are approximately 2,400 square feet and include a breakfast menu, draft beer, and lounge seating. In contrast to standard Osmow's restaurants, Osmow's Plus restaurants feature sit-down dining and are marketed as a sports bar. We have only ever granted this one Osmow's Plus restaurant franchise. We have not otherwise offered and are not currently offering Osmow's Plus restaurant franchises although we may do so in the future. This Disclosure Document does not pertain to the grant of an Osmow's Plus restaurant franchise.

ITEM 2
BUSINESS EXPERIENCE

FOUNDER: SAM OSMOW

Mr. Osmow is the Founder of Osmow's. He has served as a Corporate Director and Secretary of our Canadian affiliate, Osmow's Inc., in Mississauga, Ontario since its incorporation in March, 2010.

CORPORATE DIRECTOR, PRESIDENT and SECRETARY: BEN OSMOW

Mr. Osmow has served as our Corporate Director, President and Secretary in Mississauga, Ontario since our incorporation in March 2021. He has served as CEO of our Canadian affiliate, Osmow's Inc., in Mississauga, Ontario since April, 2020. He has also served as the Franchise and Operations Director for our Canadian affiliate, Osmow's Inc., in Mississauga, Ontario since February, 2018.

CORPORATE DIRECTOR, VICE-PRESIDENT and TREASURER: BERNADETTE OSMOW

Ms. Osmow has served as our Corporate Director, Vice-President and Treasurer in Mississauga, Ontario since our incorporation in March 2021. She has served as President and Chief Marketing Officer of our Canadian affiliate, Osmow's Inc., in Mississauga, Ontario since April, 2020.

GENERAL COUNSEL: CAROL MECHEDJIAN

Ms. Mechedjian has served as Legal Counsel of our Canadian affiliate, Osmow's Inc., in Mississauga, Ontario since June 2018.

VICE PRESIDENT OF MARKETING: MARINA BARIC

Ms. Baric has served as Marketing Director of our Canadian affiliate, Osmow's Inc., in Mississauga, Ontario since April 2020. She did not work between September 2019 and March 2020.

MARKETING MANAGER: STEPHANIE PUTNAM

Stephanie Putnam joined Osmow's in October 2024 as our Marketing Manager. Prior to that, she was the Marketing Manager at BlueSky Innovations from September 2023 to June 2024. From October 2022 to April 2023, she was the Senior Digital Strategist at Definition 6 (now known as Bridgenet) and from November 2019 to October 2022 she was the Digital Strategist at Definition 6.

DIRECTOR OF US BRAND DEVELOPMENT: NIKOLA PLASTICH

Mr. Plastich has served as our Operations Manager in Miami, Florida since May 2022. He has also owned Caliwood in Etobicoke, Ontario since July 2022 and Groomsmen Cut & Shave in Mississauga, Ontario since 2016. Mr. Plastich also owned The Groomsmen Barbershop in Toronto, Ontario for the period from February 2018 to February 2022.

SENIOR OPERATIONS MANAGER: CRAIG SANBORN

Mr. Sanborn has been our Senior Operations Manager since March 2025. Prior to that, he was the Senior Director of Company and Franchise operations at Taziki's Mediterranean Café from April 2020 to March 2025.

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

The initial franchise fee is $35,000 and is payable when you sign the Franchise Agreement. This amount is uniform for all franchisees. You must pay us the initial franchise fee and sign the Franchise Agreement on the 15th day following delivery of this Disclosure Document to you (the "**Signing Day**"). If you fail to do so, we may (a) retract our offer to grant you an Osmow's franchise at the location specified in the Franchise Agreement (the "**Location**") or at any other location and/or (b) offer any other person the right to purchase the Osmow's franchise at the Location.

The initial franchise fee is partially refundable if (and only if):

a) you do not comply with your obligations regarding leasing the Restaurant's location which may include executing a Sublease (which is attached as Schedule 2 of the Franchise Agreement)providing personal guarantees from each of your equity holders guaranteeing your obligations under the Sublease, executing the lease directly and providing personal guarantees for the obligations under the lease if required, and complying with all requirements to obtain the landlord's consent to sublease the location to you;

b) you fail to obtain or apply for all necessary permits and certifications required to operate the Restaurant before the scheduled opening date;

c) if you purchase a pre-existing Osmow's franchise and you fail to begin operating the Restaurant immediately upon closing; or

d) your Designated Operator (as defined in Item 15 below) does not successfully complete initial training or does not demonstrate the qualities and abilities necessary for the successful operation of the Restaurant (see Item 11 below for details of this training); and you transfer back to us all assets that you acquired from

us or our affiliates at the cost paid by you to us or our affiliates for such assets, and we terminate the Franchise Agreement.

If we terminate you for any of the events listed above in (a), we will refund to you the initial franchise fee, without interest, less $7,500. If we terminate you for any of the events listed above in (b), or (c), we will not refund any of the franchise fee.

If we terminate you because your Designated Operator does not successfully complete initial training (event (d) above), we will refund to you the initial franchise fee, without interest, less

If we are unable to identify and acquire a suitable location for your Restaurant within 12 months after you sign the Franchise Agreement, you will have the option to terminate the Franchise Agreement, and we will refund to you the initial franchise fee, without interest, less any amounts for related costs, expenses or fees we incur during that time.

Location Hold Agreement

If you fail to sign the Franchise Agreement and pay the initial franchise fee on the Signing Day but want more time to consider your potential purchase of the Osmow's franchise at the Location, we may (but are not required to) allow you to execute a Location Hold Agreement and pay us a fee of $5,000 (the "**Hold Fee**"). The Location Hold Agreement is attached as Exhibit D to this Disclosure Document. If you sign the Location Hold Agreement and pay the Hold Fee to us on the Signing Day, we will not offer anyone else the right to purchase an Osmow's franchise at the Location for the duration of the Location Hold Agreement which expires no later than 14 calendar days after you pay the Hold Fee or sign the Location Hold Agreement (whichever happens first). In other words, we will "**hold**" the Location for you for a maximum of 14 calendar days. After the Location Hold Agreement ends, we will keep the entire amount of the Hold Fee, we will no longer have any obligation to you to offer the Osmow's franchise at the Location or anywhere else and we may offer such franchise to anyone else.

If you pay us the Hold Fee but fail to sign the Location Hold Agreement, the terms and conditions of the Location Hold Agreement will continue to apply with respect to the Hold Fee.

The term of the Location Hold Agreement commences on the date you sign it and expires as soon as any of the following happens:

a) you sign the Franchise Agreement for the Location,

b) you or we terminate the Location Hold Agreement,

c) calendar days pass following the earlier of signing of the Location Hold Agreement and payment of the Hold Fee, or

d) you advise us that you want to purchase an Osmow's restaurant to be located somewhere other than the Location.

If you sign the Franchise Agreement for the Location before the Location Hold Agreement otherwise expires or is terminated, then we will apply the full amount of the Hold Fee towards payment of the initial franchise fee owed.

You may terminate the Location Hold Agreement at any time for any reason by providing us with at least two days' prior written notice.

We may also terminate the Location Hold Agreement immediately for cause if:

a) we discover that you have made any material misrepresentation in any franchise application or other information you have provided to us;

b) you undergo bankruptcy or insolvency proceedings; or

c) you fail to cure a curable default under the Location Hold Agreement within 7 calendar days of written notice of such default.

We may terminate the Location Hold Agreement without cause at any time. The Hold Fee is refundable if (and only if) we terminate the Location Hold Agreement without cause prior to the 14 calendar days expiring or the Location Hold Agreement otherwise being terminated; and in such case, subject to you signing a release as described below, we will fully refund the Hold Fee to you without interest. The Hold Fee is not refundable under any other circumstances. In order to receive such refund of the Hold Fee, you must first sign a general release in favour of us, our affiliates, and our respective shareholders, directors, officers, employees and agents (such release shall not include a release of any claims under applicable franchise laws). Our form of general release is Exhibit E to this Disclosure Document.

Premises Development

We will identify a suitable site for your Restaurant as set out in Item 11 below. If we are not building the store for you, then you are responsible for constructing or renovating, fixturing, furnishing, equipping, and stocking your Restaurant (the "**Premises Development**") in accordance with our standards and specifications using only contractors approved by us in writing and using only equipment, leasehold improvements, smallwares and materials pre-approved by us. We will prepare the drawings indicating the design and layout to be used by you in the Premises Development. You must enter into a Premises Development Supervision Agreement which is Schedule 10 to the Franchise Agreement. The fee charged by us for our services provided in connection with the Premises Development starts at $15,000. A number of factors including the requirement to obtain more accurate and/or detailed floor plans, Electrical & Mechanical drawings or elevations of the premises may result in an increase to this fee.

If at any time during the Premises Development we notify you of changes needed to ensure compliance with our list of approved material, furnishings, equipment or design and construction standards, you are responsible for ensuring you complete the changes in a timely manner. If you fail to make any changes required by Us, we may do so on your behalf at your expense and charge an administrative fee of 15%.

Agreement of Purchase and Sale

At our sole discretion, we may choose to be primarily responsible for the Premises Development and you must sign an Agreement of Purchase and Sale at the same time as signing the Franchise Agreement. The Agreement of Purchase and Sale is attached as Schedule 7 to the Franchise Agreement. The first installment of the purchase price under the Agreement of Purchase and Sale

is due on the date of signing the Agreement of Purchase and Sale. If you fail to pay the first installment of the purchase price within the required timeframe, we may choose, at any time afterwards, to terminate your Franchise Agreement (and any other agreements that are related to the franchise granted that you have signed with us or our affiliates) and retain the initial franchise fee in its entirety. You must pay us a fee for the Premises Development (which fee may include a reasonable fee charged by us for our services provided in connection with the Premises Development). The cost for the Premises Development ranges from $353,300 to $431,300. See Item 7 below for a breakdown of the fee for the Premises Development. In addition, you will be charged a project management fee of $25,000. The fee for the Premises Development will not include the cost of initial inventory which ranges from $15,000 to $25,000 and which you will be required to purchase directly from our designated suppliers. We will place the initial order of inventory on your behalf from our designated suppliers. The price we will charge you for the Premises Development may vary if the size of your outlet is smaller than 1,100 square feet or larger than 1,500 square feet.

You must pay the fee for the Premises Development in accordance with the payment schedule set out in the Agreement of Purchase and Sale (if this Disclosure Document is being provided to you in respect of a location for which we or our affiliate has signed a lease). If we or our affiliate have not acquired the lease for a location for your Restaurant as at the time of delivering this Disclosure Document to you, the payment schedule under the Agreement of Purchase and Sale will be similar to (but not necessarily the same as) the following:

a) of the purchase price on the date of execution of the Agreement of Purchase and Sale; and

b) thereafter, the Purchaser will be provided with regular invoices from our contractors, us and/or our affiliates and will be required to make prompt payment upon receipt of same.

Initial Marketing Fee

The Initial Marketing Fee as set out in Item 11 below in the amount of $5,000 is payable to us when you sign the Franchise Agreement. This amount must be used by you in promoting your Restaurant in the first year of operating your Restaurant for items such as mailers, coupons, and/or grand-opening advertising.

Security Deposit

If we or our affiliate sublease your Restaurant premises to you, you may be required to pay a security deposit, rent deposit, advance rent, and/or other similar amount(s) to us or one of our affiliates immediately upon signing the Sublease if such amount was paid by us or our affiliate to the head landlord under the lease. The amount of the security deposit is not uniform for all franchisees as it depends on the location and what the head landlord demands.

Except where otherwise stated above, none of these initial fees is refundable under any circumstance. Applicable taxes are extra.

Inspection Fee

You must pay us our employee wages and travel costs for supervising the build-out by you and inspection of the premises to ensure the work has been properly completed before you open. This fee is estimated to be around $1,000.

Opening Date Extension Fee

You must commence operations of your Restaurant immediately upon closing of the transaction if you are purchasing an existing business, or on or prior to the scheduled opening date if you are purchasing a new restaurant. If you fail to open according to these timelines, we may (but are not obligated to) agree to extend the opening date upon your payment of an extension fee of $2,500. Alternatively, we have the right to terminate your Franchise Agreement (see Item 17 below).

Summary of Initial Fees				
			Low	**High**
Initial Franchise Fee			$35,000	$35,000
Hold Fee			$0	$5,000
Project Development Supervision Fee			$15,000	$25,000
Initial Marketing Fee			$5,000	$5,000
Inspection Fee			$0	$0
Opening Date Extension			$0	$2,500
Total			$55,000	$72,500

ITEM 6
OTHER FEES

Type of Fee (note 1)	Amount	Due Date	Remarks
Royalty Fee (Note 2)	of gross sales (see Note 3)	5th day of each calendar month in respect of the preceding calendar month	Gross sales include all revenue from the franchise location or attributable to your sale of products/services regardless of whether such amounts are paid directly to you or to a third party. Gross sales do not include sales tax or customer refunds. (Note 4)
Marketing and Promotion Fund contribution (Note 2)	of gross sales. See Item 11	5th day of each calendar month in respect of the preceding calendar month	This amount may be increased or decreased from time to time in the Franchisor's sole discretion. (Note 4)
Interest (Note 2)	The lesser of (i) 1.5% per month or 18% per annum and (ii) the maximum rate permitted under applicable law	N/A	All amounts to be paid to Franchisor bear interest when past due.
Late Fee and NSF Payments (Note 2)	per occurrence	Upon invoice	For each occurrence where your bank refuses to honour payment due to us for any reason.

Training of replacement Designated Operator (Note 2)		Prior to training.	Franchisor provides initial training for the Designated Operator and one other full-time employee upon payment of the initial franchise fee. You may replace your Designated Operator after your Restaurant opens provided we approve the new individual and you pay us $5,000 to train your new Designated Operator.
Ongoing Training (Note 2)	We may require you and/or your employees to attend mandatory continuing training sessions from time to time. The cost will vary depending on the nature of the program.	Prior to training.	See Section 9.2 of the Franchise Agreement.
Additional Training (Note 2)	Our hourly rate (currently per hour)	When invoiced.	If any of the one full-time employee that received initial training (i.e., other than the Designated Operator) fails training or is replaced, or you request an additional employee to be trained, you will pay us our then-current hourly rate for such training for the time we incur in providing such training. See Section 9.4 of the Franchise Agreement.
Unauthorized products and services fee	The greater of $250 per day per item or as set out in the Restaurant	Upon demand	Upon breach of requirement to purchase and sell only those authorized products and

	Training and Operations Manual For each day a breach or non-compliance with standard operating procedures continues uncured		services purchased from the Franchisor or designated suppliers. See Section 8.2 of the Franchise Agreement.
Audit fee (Note 2)	Cost of audit plus interest on underpayment	Thirty days after billing	You are responsible for cost of audit only if actual gross sales for audit period are greater than reported gross sales by 3% or more (see Section __ of the Franchise Agreement).
Inventory (Note 2)	Cost to purchase and deliver required inventory/supplies	When invoiced	See Section 8.4 of the Franchise Agreement.
Renewal Fee	of the then-current initial franchise fee, which based on the current initial franchise fee is $17,500	Before renewal	Payable when you request to renew your Franchise Agreement.
Administrative and legal costs for renewal	Franchisor's costs including legal fees	Before renewal	You must reimburse us for our reasonable legal fees and other costs incurred resulting from your renewal (see Section __ of the Franchise Agreement)
Relocation (Note 2)	Franchisor's costs including legal fees	Before the relocation	Payable when you request to relocate your franchise (see Section 5.4 of the Franchise Agreement).

Transfer request fee (Note 2)	$7,500	Upon request to transfer your franchise	Payable when you request our consent to transfer your franchise. This fee will be applied to the transfer fee (if the transfer is completed) or our legal and administrative costs (if the transfer is not completed). See Note 5 below and Sections 15.5 (k) and (l) of the Franchise Agreement.
Administrative and legal fees for transfer	Franchisor's costs including legal fees	When invoiced	Payable regardless of whether the transfer is completed. If the transfer is not completed, the transfer request fee of $7,500 will be credited against these costs. If the administrative and legal costs incurred by us are more than you will be required to reimburse us for those additional costs. If the transfer is not completed and our administrative and legal fees are less than $7,500, we will refund to you the remaining balance. (Note 5 and see Sections 15.5(j) and (l) of the Franchise Agreement)

Transfer fee (Note 2)	Then-current initial franchise fee, subject to state law	Before the transfer	Payable when you sell or transfer your franchise. The transfer request fee of $7,500 is credited against this amount if the transfer is completed (see Sections 15.5(j) and (k) of the Franchise Agreement).
Termination (Note 2)	Franchisor's damages, costs, and expenses, including legal fees	Within 3 days following termination	Payable when your franchise is terminated due to your defaulting on the Franchise Agreement.
Failure to abide by the terms of the Franchise Agreement (Note 2)	Franchisor's damages, costs, and expenses, including legal fees, plus 15% administrative fee if Franchisor cures default on behalf of Franchisee	Payable on demand	If you fail to abide by your obligations under the Franchise Agreement and we elect to do so on your behalf (see Sections 8.1, 8.4, 9.13, and 19.5 of the Franchise Agreement).
Emergency operation of Restaurant (Note 2)	Franchisor's cost, plus reasonable compensation for the services provided	As incurred	Franchisor has the right to inspect the Restaurant and send a representative to the Restaurant in certain cases

Rent	Varies depending on location.	Varies depending on location	Paid to us or our affiliate under the Sublease or to the Landlord if we require you to do so. If paid to us or our affiliate under the Sublease, each year you may be required to provide 12 post-dated checks. If any of your checks fails to clear, you will be required to pay the NSF Fee and asked to immediately make the required payment. If you do not immediately make the required payment you will be in default under the Franchise Agreement and we may exercise all applicable remedies.
Delivery Fees	-27% depending on delivery partner and method selected	Varies depending on delivery partner	Deducted by the delivery partner before they remit your sales earnings
Restaurant Training and Operations Manual		Monthly As incurred.	When invoiced
Accelerated Rent	Varies depending on location	Upon termination of lease	Paid directly to the landlord if the landlord terminates the lease because you have breached the lease.

Insurance administration fee (Note 2)	of total premium cost	Monthly	If you fail to obtain insurance as required under the Franchise Agreement, the Lease or the manual, we have the right to take out insurance on your behalf. We will charge you an administration fee for doing so in addition to the premium cost which you must also reimburse us for (see Section 14.3 of the Franchise Agreement).
Indemnification	Franchisor's damages, costs, and expenses, including legal fees	As incurred	You must indemnify us against your breaches and against any third party claims arising from the operation of your franchise, the transfer of your franchise, if we are required to temporarily operate your franchise, or if we are required to exercise our power of attorney (see Sections 15.10, 19.3, 19.7, 19.13, and 19.16 of the Franchise Agreement).
Lost Profits	Franchisor's damages for lost profits and expenses, including legal fees	As incurred	In the event that the Franchise Agreement is terminated because of your default (including if you wrongfully terminate the Franchise Agreement), we have the right to seek damages from you for lost profits under the Franchise Agreement and any expenses we incur in the process of

			seeking those damages, including legal fees.

Note 1. Applicable taxes are extra. All fees and payments are non-refundable unless set out above or below.

Note 2. Unless indicated otherwise, all fees are imposed by and are paid to Osmow's Inc. You must participate in an automatic deposit system whereby royalties, marketing and promotion fund contributions, rent, and other amounts payable to us and our affiliates are automatically debited from your bank account.

Note 3. If you are currently receiving business interruption insurance, then you will pay us 11% of such proceeds in lieu of paying us a royalty (see Section 6.2 of the Franchise Agreement).

Note 4. If you fail to keep proper business records, we may estimate gross sales and you will be required to pay us a royalty fees and marketing and promotion fund contributions based on those estimated gross sales.

Note 5. Prior to transferring your franchise, you must obtain our consent. In order to request our consent you must pay us the transfer request fee. We have the right to: (a) consent to the transfer; (b) exercise our option to purchase the franchise from you; or (c) reasonably refuse our consent. If we consent to the transfer, then you will need to pay a transfer fee (see the table above, under the row "**Transfer fee**") in addition to our costs (see the table above, under "**Administrative and legal fees for Transfer**"). If we exercise our option to purchase, then the transfer request fee will be applied to the purchase price. If we reasonably refuse to provide consent, we will credit the transfer request fee against the legal and administrative costs that we have incurred and refund to you any remaining balance. See Item 17 below for more information about your rights to transfer your franchise.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	**Amount**	**Method of Payment**	**When due**	**To whom payment is to be made**
Initial Franchise Fee (Note 2)	$35,000	Lump sum	Upon signing of the Franchise Agreement	Franchisor
PREMISES DEVELOPMENT (Note 3)				
Construction/Remodeling	$350,000 - $450,000	As agreed	Pursuant to the	Franchisor or Contractor

(Note 3)			applicable Agreement of Purchase and Sale or Premises Development Supervision Agreement	
Initial Rent and Utilities (Note 3)	$2,000 - $10,000	As agreed	Pursuant to the applicable Agreement of Purchase and Sale or Premises Development Supervision Agreement	Franchisor or Contractor
Insurance during construction (Note 3)	$1,300	As agreed	Pursuant to the applicable Agreement of Purchase and Sale or Premises Development	Franchisor or Contractor
Fixtures, Furnishings, Equipment, Signs (Note 3)	$100,000 - $150,000	As agreed	Pursuant to the applicable Agreement of Purchase and Sale or Premises Development Supervision Agreement	Franchisor or Contractor
Initial Marketing Fee (Note 4)	$5,000	As agreed	Pursuant to Franchise Agreement	Franchisor
Inspection Fee (Note 5)	$0	As agreed	Pursuant to Agreement of Purchase and Sale	Franchisor
Premises Development Supervision Fee / Project Management Fee	$15,000 - $25,000 with the potential to increase	As agreed	Pursuant to the applicable Agreement of Purchase and Sale or Premises Development Supervision Agreement	Franchisor
Initial Inventory and Operating Supplies (Note 6)	$15,000 to $20,000	As incurred	When invoiced	Franchisor and Suppliers. We will place your first order of initial inventory and operating supplies on your behalf.

Debit/Credit Card Terminals (Note 7)	$20.00	Lump sum	When invoiced	Supplier
Business Permits/Licenses	$6,000	As incurred	As incurred	Municipality or other governing authorities
Travel/Living Expenses during Training (Note 8)	$50 to $3,250	Varies	As incurred	Suppliers
Insurance (Note 9)	$24,807	As incurred	Annually	Insurance providers
Professional Fees (Note 10)	$5,000 to $15,000	Varies	As incurred.	Lawyers, accountants, etc.
Restaurant Training and Operations Manual (see Note 11)	$20 (times 3 months)	Monthly As incurred	When invoiced	Supplier
Rent /Security Deposit (Note 12)	$4,000 to $12,000	Lump sum	Signing of lease/sublease	Franchisor's affiliate or landlord
Utility and other fees/deposits during initial period (Note 13)	$1,500 to $1,800	As incurred	Opening of accounts; upon signing lease/sublease	Utility providers, landlord or Franchisor's affiliate
Employee Wages during Training (Note 14)	$7,200 to $7,920	Bi-weekly	Throughout training	Employees
Additional Training Fee (Note 15)	$0 to $5,000	Lump sum	As incurred	Franchisor
Working capital – 3 months (Note 16)	$20,000 to $50,000	Varies	As incurred	Suppliers, utilities
Local Advertising	1%	As incurred	As incurred	Sports teams, suppliers
TOTAL INITIAL INVESTMENT	**$607,897 – 848,117**			

Note 1. The tables below estimate your initial costs to establish and open a new Osmow's restaurant. A typical Osmow's restaurant is approximately 1,100 to 1,500 square feet. Applicable taxes are extra. To compile these estimates we have relied on our affiliate's experience in this business as well as the experience of our franchisees, the majority of which are located in the Province of Ontario. The figures in the tables below do not include any of

the ongoing costs of operating an Osmow's restaurant. We cannot guarantee that you will not incur additional expenses starting your business. Actual costs may vary substantially depending on the location, size of restaurant, lease terms, availability of skilled trades, method and amount of financing used, prevailing wage rates, and other factors. You are responsible for any and all costs incurred in the establishment of your Restaurant.

Note 2. Initial Franchise Fee. This fee is due at signing of Franchise Agreement. See Item 5 above.

Note 3. Premises Development. As described in Item 5 of this Disclosure Document, if we undertake to build the Premises for you, the fee for the Premises Development is between $466,300 - $651,300 plus all applicable taxes all of which is payable pursuant to the Agreement of Purchase and Sale. In addition, you will be charged a Project Management Fee of $25,000 plus applicable taxes. If you are responsible for the construction of your Restaurant, you will be responsible for paying the costs for the Premises Development directly to your suppliers. In addition, you will be charged the $15,000 (plus applicable taxes) Premises Development Supervision Fee instead of the Project Management Fee. The detailed breakdown of the cost of the Premises Development is as follows:

Note 4. Construction/Remodeling. This expense relates to "**rough work**" required prior to the installation of leasehold improvements such as concrete cutting, plumbing, electrical, grease trap installation, etc.

Note 5. Initial Rent and Utilities. This expense relates to any rent or utilities payable during the build-out of the Restaurant prior to you operating the Restaurant. This amount may be significantly higher in high rent areas such as New York City and Los Angeles.

Note 6. Insurance during construction. This expense relates to the cost to insure the Premises and contents prior to operating the Restaurant.

Note 7. Fixtures, Furnishings, Equipment, etc. This expense includes the kitchen equipment, furniture, interior and exterior signage, camera system, as well as the Point of Sale (POS) equipment however it does not include the cost of the debit/credit card terminals which you must lease from Shift4. You will be required to use the POS system that we designate. We currently use Givex as our designated supplier for POS services. We have the right to designate different systems if we consider it advisable. See Item 8 of this Disclosure Document for more information about our designated suppliers.

Note 8. Initial Marketing Fee. This expense covers the costs related to coordinating the grand opening of your Restaurant, marketing material and campaigns run specifically for your Restaurant, and other related expenses during the first year of operations. This expense also covers the cost of certain marketing materials including pre-opening stickers, website advertisements, in-store advertisements, etc. related to the opening of your Restaurant and during the first year of operations. See Item 12 of this Disclosure Document for more information about the opening advertising.

Note 9. Inspection Fee. This expense relates to travel expenses and wages paid to our employees that supervise the build-out and inspect the Premises to ensure the work has been completed prior to selling the Restaurant to you.

Note 10. Initial Inventory and Operating Supplies. You will be required to invest in an opening inventory of food, beverages, paper supplies and uniforms. We will place your first

order of opening inventory with our designated suppliers and those suppliers will charge the cost of the order to you directly.

Note 11. Debit/Credit Card Terminals. You must lease two debit/credit card terminals from our designated supplier which is currently Shift4.

Note 12. Travel/Living Expenses during Training. The low end of this estimate assumes that the Osmow's restaurant(s) where you and your employees will be trained is relatively close to where you and your employees live and includes a nominal amount related to potential travel expenses to our head office for classroom training. The high end of this estimate assumes that the Osmow's restaurant(s) where you and your employees will be trained is within one hour of where you live and that you and all employees will drive to the training location(s).

Note 13. Insurance. All franchises must obtain the required policy coverage. The specific insurance requirements are set out in detail in Article 14 of the Franchise Agreement. Typically, insurance coverage is $24,807 annually $to the insurance company.

Note 14. Professional Fees. These fees will depend on the level of review and advice obtained from lawyers, accountants, and other professional consultants that you retain. If as set out in Item 8, the lease for your Restaurant location has not been negotiated by us, you will have to retain legal counsel to negotiate and review the lease and ensure it incorporates the terms we negotiated in the binding Offer to Lease with the Landlord.

Note 15. Restaurant Training and Operations Manual. You must obtain a licence from our designated supplier which is currently, Modzee.

Note 16. Rent/Security Deposit. This estimate assumes that you will be required to pay last months' rent as a security deposit in respect of the premises. You may be required to pay more or less depending on the terms of the lease and the city (for example, rents in New York City and Los Angeles are much greater).

Note 17. Utility and other fees/deposits during initial period. You will be required to provide deposits to utility providers when you open up accounts with them.

Note 18. Employee Wages during Training. Includes wages for the training of staff. It is assumed that you will require training for one full-time employee who will be paid approximately $12 to $15/hr and one Designated Operator who will be paid approximately $18 to $20/hr during the 120 hours of initial training. We do not set or recommend the actual wages paid – these are entirely within the franchisee's discretion based on prevailing market conditions.

Note 19. Additional Training Fee. If any of the two full-time employees that received initial training (i.e., other than the Designated Operator) fails training or is replaced, or you request an additional employee to be trained, you will pay us our then-current hourly rate for such training for the time we incur in providing such training. Our current training fee rate is $75 per hour. The high end of the estimate assumes one employee is retrained or an additional employee is trained for the approximate 120 hours of initial training.

Note 20. Working Capital. This estimates your start-up expenses, excluding labour (which is estimated in a separate row) for the first three months of operation; it does not include salary for you, ongoing inventory purchases, royalty and advertising payments, rent, interest,

other financing charges or debt service, nor can we reasonably estimate the cost of any interest, financing charge or debt service obligation.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Us or through Designated or Approved Sources

In order to maintain the reputation, goodwill, high standards, quality, uniformity and image of our Osmow's restaurants, you must strictly adhere to the Osmow's system standards at all times. You may only provide products and services approved or authorized by us or which conform to our standards and specifications, and you must offer all products and services that we require you to sell.

You must use in the development and operation of your Restaurant only those furnishings, fixtures, equipment and signs that we have approved. You must purchase all furnishings, fixtures, equipment and signage for your Restaurant from one of our authorized suppliers, which may include us or our affiliates. You must place or display at your Restaurant only such signs, emblems, logos and display materials as are approved in writing by us. You must maintain all furnishings, fixtures, equipment, and signage and promptly replace any non-repairable or obsolete equipment with new items that we specify.

If requested by us, you must purchase certain types of products from us or from our approved sources or suppliers, which may include affiliates of ours, notwithstanding that you may have adequate facilities and personnel to prepare such products on your own premises or in another related premises. Products you must purchase include food products, paper products, supplies, promotional materials, furniture, small wares, and equipment. In particular, you must purchase all chicken, meat (lamb, beef, etc.), marinade, and falafel from the Commissary operated by our affiliate, OCL.

In selecting our authorized or approved suppliers, we consider numerous factors, including product quality, industry-competitive pricing, quality of service, adequate capacity and facilities to support our restaurants in terms of required quantity, timing, and reliability.

To become an approved or designated supplier, a supplier must: (a) demonstrate an ability to meet our standards and specifications; (b) possess adequate quality control and capacity to meet your needs properly and reliably; and (c) be capable of supplying the System on a regional, national or international basis at prices that are more competitive than those of our current designated and approved suppliers, including any rebates that are payable to us. Any additional criteria that we have for specific suppliers will be made available to you upon request.

We will allow you to contract with alternate suppliers, subject to the following. If you want to purchase or lease from an unapproved supplier, you or the supplier must send us a written request for approval. Our representatives must be allowed to inspect the supplier's facility and we may require that samples from the supplier be delivered to us or to an independent consultant designated by us for testing. You or the supplier must pay our reasonable inspection costs and the actual testing costs. Our inspection costs may include round trip air fare from our headquarters to the supplier location in addition to all related travel expenses such as food, lodging and auto rental.

The testing costs may include the expenses and fees of outside companies to evaluate nutritional components and quality of the food or other products. If a supplier meets our criteria for approval, we will not unreasonably withhold approval. After all required testing and inspection is completed, we will approve or disapprove your proposed supplier within 30 days. We may re- inspect the facilities and re-test the products of approved suppliers. If, at any time, an approved supplier fails to meet our criteria for approval, we may revoke our approval.

You may be required to enter into a written agreement with certain designated and approved suppliers. For example, each franchisee must enter into certain participation agreements and leases with Stingray, Coca Cola, Givex, Cheney Brothers, Doordash, GrubHub, UberEATS and First Data.

You will be required to participate in any delivery or catering programs including online platforms operated by us, our affiliates, or our designated suppliers such as UberEATS, DoorDash, ezCater, and GrubHub (collectively, "**Delivery Programs**"). You must enter into contracts with us, our affiliates, or our designated suppliers which may include specified or mandatory provisions, and obligations to purchase and install any applicable equipment, software systems, or other items to be used in connection with the Delivery Programs. Any delivery or catering services may be restricted to customers located in areas we designate.

You may be required to use designated service providers with respect to grease trap cleaning, exhaust hood cleaning, HVAC maintenance and repair, and pest control. These providers will be designated by the landlord under the head lease or by us pursuant to the Franchise Agreement or as set out in the Restaurant Training and Operations Manual. If we require you to, you must use our designated service providers for the maintenance of certain equipment in your Restaurant.

Purchases by Specification

You must purchase or lease from any supplier and use in the operation of your Restaurant such equipment, furniture and fixtures as are specified by us and which may be amended by us from time to time without notice to you, and which meet the standards set out, in the Restaurant Training and Operations Manual (as described in Article 11 of the Franchise Agreement). We will not reimburse you for any expenses incurred by you because of a change in our standards and specifications. Included are standards and specifications for delivery, performance, design, appearance, grade and composition. We have the right to inspect the Restaurant, furniture, equipment, fixtures and products at your premises; to take inventory of such products; and to examine the manner in which you are conducting your business. You are required to cooperate fully with any such inspection.

You are responsible for purchasing, maintaining, and upgrading any computer hardware and software used in connection with the operation of your Restaurant. Upon our request, you must acquire, install, update or replace any computer hardware and/or software designated by us. (See Item 11 below)

You must purchase all food products, including ingredients and all restaurant accessories, supplies, promotional materials and equipment (including, without limitation, containers, dishes, glassware, cutlery, furniture, napkins, placemats and uniforms) from us or from sources or suppliers approved

or designated in writing by us (which sources or suppliers may include affiliates of ours), or in accordance with our specifications. We formulate these specifications to improve efficiency in the system and maintain a cohesive image across the franchise system. We will send you memorandums via e-mail or otherwise when we make changes to the system specifications.

You must carry the following insurance, which must be primary and non-contributory and name us as an additional insured:

a) employer's liability and workers' compensation insurance as designated by applicable law;

b) comprehensive general liability insurance covering the operation of the Restaurant in an amount not less than $5,000,000 with personal injury inclusion, naming us as an additional loss payee, and providing for notice to us of any default under the policy, and 30 days' prior written notice to us of the insurer's intention to revoke or cancel coverage;

c) property coverage to the amount of the full insurable value of all of your property of every kind, including leasehold improvements made by the head landlord of the Location, property of others for which you are legally liable as a bailee, leased equipment, stock and any other contents of every description, on an "**all risks**" basis, including coverage for conventional loss due to an insured peril (such coverage will be subject to replacement cost valuation, with exception to stock, which will be insured to a value representative of its fair market value as a consumable product);

d) business interruption (gross earnings form) insurance, including royalty and other payments due to us under the terms of this Agreement, any lease or sublease, and any other agreement affecting the Restaurant or the Location; and

e) boiler and machinery coverage extension including but not limited to such named object groups as heating, ventilating and air conditioning equipment, electrical panels, transformers, compressors, generators, chillers and refrigeration equipment.

You must also carry insurance as set out in the lease (at a minimum business interruption, liability, property etc.) and with the Franchisor as additional insured but not contributing, indemnify Franchisor. Except as stated above there are no requirements for you to purchase or lease in accordance with our specifications.

Volume Rebates and Other Benefits

While we do not currently, we and/or our affiliates expect to receive rebates, bonuses, discounts, co-ordination fees, marketing funds and promotional funds or other allowances (landlord, tenant or otherwise) from some or all of the sources or suppliers associated with your franchise from time to time as a result of our (or our affiliates) involvement in the construction of your Restaurant or purchases of goods and services by franchisees. We will not share them with our franchisees, but rather retain them for our own account. We and our affiliates will also make a profit through the reasonable mark-ups we charge on products and services you buy from us, all of which we also retain for ourselves. We use reasonable efforts to negotiate with our approved or designated suppliers to provide better pricing, product quality and service for the benefit of the Osmow's

system, including our franchisees, although we cannot guarantee any of these aspects. We do not provide material benefits (for example, renewal or granting additional franchises) to you based on your purchase of particular products or services or particular suppliers.

The amount of any rebates, as well as the suppliers from who we receive rebates, has not been established and when established will remain subject to change. In 2024 we earned a total of $0 in rebates from suppliers which accounted for 0% of our total revenue of $0. These figures are taken from our internal books and records.

Our affiliate, OCL, supplies chicken, meat (lamb, beef, etc.), marinade, and falafel. In 2024, our affiliate's gross revenue from chicken marinade and falafel sales to our franchisees was $0. This figure is taken from our affiliate's internal books and records and does not include any of its costs or expenses associated with acquiring and transporting chicken marinade and falafel throughout the United States.

Other Supply Related Matters

Except as discussed above, none of the designated and approved suppliers is related to or affiliated with us. Some of our officers are shareholders of OCL. Our officers do not have interests in any other supplier. We do not provide you any material benefits for using our approved suppliers, but the System benefits as a whole from consistent quality and reliable service.

The cost of products and services purchased in accordance with our standards and specifications and from approved suppliers represents 95% of your total purchases in connection with establishing the Restaurant and 95% of your total purchases in connection with operating the Restaurant.

There are no purchasing or distribution cooperatives.

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 in this Disclosure Document.

Obligation	Sections In Franchise Agreement	Disclosure Document Items
a. Site selection and acquisition/lease	5.1, 5.2	5, 11
b. Pre-opening Purchases/ Leases	3.5, 5.2, 5.5, 5.7, 8.2, 8.4, 9.30, 12.1, 12.2, 13.1, 14.1, Schedule 4	7, 11
c. Site Development and other pre-opening requirements	5.3, 9.1, Schedule 10	5, 11, [State Specific Addendum]
d. Initial and On-going Training	7.3, 7.4, 9.1, 9.2, 9.4	11, 15
e. Opening	5.7, 13.1	11
f. Fees	2.3, Article 6	5, 6, 7
g. Compliance with standards and policies/Operating Manual	1.6, 3.5, 4.3, 5.3, 5.5, 7.4, 8.1, 8.2, 8.4, 8.6, 8.9, 8.15, 9.7, 9.13, 9.25, 9.31, 11.1, 13.7	5, 11
h. Trademarks and Proprietary Information	1.2, 8.6	13
i. Restrictions on Products and services offered	8.2	8, 16
j. Warranty and Customer Service	20.3	Not Applicable
k. Territorial Development and sales quotas	Not Applicable	12
l. Ongoing product/ service purchases	8.2, 8.4	Not Applicable

m. Maintenance, appearance and remodeling requirements	4.3(b), 5.5, 8.1, 8.6, 8.15, 9.17, 9.27, 12.3	7, 8
n. Insurance	Article 14	6, 8, 10
o. Advertising	6.3, 6.4, Article 13	5, 11
p. Indemnification	5.2(a), 5.2(b), 9.8, 15.10, 19.3, 19.7	6
q. Owners participation/ management/ staffing	8.11	15
r. Records and Reports	9.13, 12.3, 12.4, 12.6, 12.7	6, 11
s. Inspections and Audits	12.7, 12.9	6, 8
t. Transfer	Article 15	17
u. Renewal	4.2, 4.3	17
v. Post Termination obligations	Article 18	17
w. Non-competition Covenants	9.20	15, 17
x. Dispute Resolution	21.10, 21.11	17
y. Taxes	9.8	5, 6, 10
z. Guarantee	9.22, Schedule 2	15
aa. General Security Agreement	19.15, Schedule 3	1

ITEM 10
FINANCING

We offer only the following direct and indirect financing arrangement to you:

Item Financed (Source)	Amount Financed	Down Payment	Term (Years)	APR	Monthly Payment / Prepayment Penalty	Security Required	Liability Upon Default	Loss Of Legal Rights On Default
Leased Space (Us) See Note 1	Varies	Approx. $4,000 - $9.000 See Item 7	Varies	Not Applicable	Approx. $4,000 - $9,000 See Item 7 / Varies according to Head Lease	(See Down Payment), Varies according to Head Lease	All rent & interest on unpaid amounts; All property may be removed and stored at your cost; Indemnify us for our costs under the Head Lease	Waive trial by jury; No notice or legal proceeding is required before we repossess the premises and remove your property.

Note 1. Sublease

In our sole discretion, we may enter into the Head Lease for the Restaurant premises with the landlord. The landlord is usually unrelated to us. If we do enter into the Head Lease, you will enter into a Sublease for the restaurant location with us. You must pay rent to us or any one we direct. We may require you to allow monthly ACH withdrawals or set up a monthly deposit to facilitate payment during the Sublease term. You must pay all taxes and other government assessments levied against the premises, improvements and the business carried on at the premises. Our entering into the Head Lease in no way assures or guarantees your success at the chosen Location. Your efforts and diligence in operating the business are the key elements to your success.

The Sublease incorporates the landlord's form of head lease (the "**Head Lease**") which will vary. You must comply with the Head Lease and are responsible for all charges arising under it, which may include insurance, maintenance and other operating costs. (Section 5(d) S.L.) Under most Head Leases, the Landlord has a right to approve any sublease. If approval is not obtained, the Sublease is null and void. (Section 5 S.L.) We may have to vary the terms of the Sublease to obtain approval. The Landlord may require a security deposit which we may obtain from you and pay on your behalf, or require you to pay directly to the Landlord. The Landlord may require you, or if you are a corporation your equity owners, to personally guaranty the Head Lease. You must obtain business interruption and rental insurance. You also must obtain any other insurance required under the Head Lease. (Section 5(j) S.L.) If you default under the provisions of the Head Lease, we may terminate the Sublease on written notice and the corresponding Franchise Agreement and/or re-enter and repossess the premises without notice. You must indemnify us for all taxes and other government assessments and all costs arising under the Head Lease. (Section 5(d) S.L.) We recommend that you read the Head Lease carefully.

If you wish us to renew the Head Lease and the Sublease, you must give us notice not more than 18 months and not less 12 months before the end of the initial term or any renewal period. We may or may not renew in our sole discretion.

You require our consent to assign the Sublease, except if you are assigning it with the Franchise Agreement and have complied with the Franchise Agreement's assignment provisions. (Section 5(f) S.L.)

A default under the Sublease is a default under the Franchise Agreement and we may terminate your Franchise Agreement. (Section 17.2(h) F.A.) If your Franchise Agreement is terminated or you are in material default under it, we may terminate the Sublease. (Section 9 S.L.) If you do not pay the rent, or if you fail to continually operate the Restaurant, or otherwise default under the Sublease, we may terminate the Sublease and/or re-enter and repossess the premises without notice, subject to applicable state laws. Upon termination, you must vacate the premises and we may, at our option, retain or remove and store your property at your expense. (Section 9(j) S.L.) If we terminate the Sublease, you will remain liable under the Sublease and Head Lease for rent, attorney fees and other damages. (Section 9(j) S.L.)

We may charge you interest on unpaid amounts at a rate specified in the Franchise Agreement or the Head Lease, whichever is greater. (Section 8 S.L.) The Sublease may be subordinate to any mortgage on the premises. All amounts due under the Franchise Agreement are deemed rent under the Sublease and may be collected by us with all remedies under the Sublease available to us. (Section 8 S.L.) We recommend that you review the Sublease carefully.

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

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

Pre-Opening Obligations

Before you open your business, we will:

1. Site Location and Lease Negotiation (Sections 5.1 and 5.2 of the Franchise Agreement ("**F.A.**")). In most cases, a site for the Restaurant will be located before you sign the Franchise Agreement. At our option, we may develop the premises in which case we will negotiate a lease of the premises in our name. If we negotiate a lease in our name, we will then sublease the premises to you. If a site is not located when you sign the Franchise Agreement then you will locate the site (subject to our approval in our sole discretion). While we are not required to do so, on occasion we will locate a site for the Restaurant even though we are not developing the premises. If we locate a site under these circumstances, we will negotiate an offer to lease, and you will be required to negotiate and sign a Lease for the premises under the terms of that offer to lease. Our entering into the Head Lease and/or developing the premises in no way assures or guarantees your success at the chosen Location. Your efforts and diligence in operating the business are the key elements to your success. If a site is not located and approved by us within one year from the date your Franchise Agreement is executed, either you or we may terminate the Franchise Agreement upon 10-days' written notice. Thereafter, provided your sign our form of release (see Exhibit E to this Disclosure Document) we will refund your Initial Franchise Fee, less $5,000 and any additional costs, expenses or fees reasonably incurred by us. If a Lease is not executed within two years from the date your Franchise Agreement is executed, we may terminate

the Franchise Agreement upon 10- days' written notice, and your Initial Franchise Fee shall be non-refundable. We do not warrant the success of your location.

2. Premises Development (Section 5.3 F.A.) Ensure that the premises are developed by you in accordance with our standards under the Premise Development Supervision Agreement or develop the premises ourselves under the Agreement of Purchase and Sale (see Item 5 above).

3. Equipping Premises/Suppliers (Section 7.3(a) F.A.) Provide you with the name of designated and approved suppliers for the necessary equipment, signs, fixtures, opening inventory, supplies, etc. Before you come to training, or while you are at training, we will connect you with the suppliers you will use, which will facilitate you entering into agreements for products and services, and leases for equipment, with these suppliers. (See Item 8 above.)

4. Guidelines and Specifications (Section 7.3(b) F.A.). Provide you guidelines and specifications for the operation and management of the Restaurant.

5. Training (Section 7.3(c) F.A.). Unless we decide, in our sole discretion, that you do not require training, we will provide a training program concerning the operation of the Restaurant consisting of approximately 120 hours of training. Training will be provided either in Miami, Florida or at another location which we may specify. We may decide that you do not require training, if you have prior experience that is relevant to operating the Restaurant (e.g. you have franchised or managed another Osmow's or similar restaurant). The training sessions will take place prior to opening the Restaurant. These training costs are included in your Initial Franchise Fee, except that you are responsible for all food, lodging and travel expenses for each individual attendee from the Restaurant. (See Item 6 above). Your Designated Operator and one other employee must attend the training sessions. Satisfactory completion of all mandatory training sessions is required. Failure to do so by your Designated Operator may result in a revocation of the franchise and is a breach of the Franchise Agreement. For details on this training program, please see the Table at the end of this Item 11.

6. Restaurant Training and Operations Manual and Online Portal (Section 7.3(d) F.A.). We will loan you a copy of the Osmow's confidential Restaurant Training and Operations Manual which contains the standards, specifications and procedures of the Osmow's system. We will provide you with updates to the Restaurant Training and Operations Manual from time to time and you will be required to comply with any and all changes promptly and at your own expense. The Restaurant Training and Operations Manual will at all times remain our property. A copy of the table of contents for the Restaurant Training and Operations Manual can be found at Exhibit F of this Disclosure Document. It shows the number of pages devoted to each subject and the total number of pages in the Restaurant Training and Operations Manual is 40. The Restaurant Training and Operations Manual is not issued to prospective franchisees but, upon request, we permit prospective franchisees to inspect it at a location determined by us.

Currently, we operate an online portal (website or app) only available to our franchisees at a monthly cost of about $20. This portal provides franchisees with an online version of the Restaurant Training and Operations Manual, training videos, bulletins, notices, and other resources.

The Restaurant Training and Operations Manual, all information available through our online portal, and any other information about the Osmow's system are confidential. You will be required to agree to the confidential nature of the Restaurant Training and Operations Manual, online portal, and system information. You must keep all such information confidential, even if you cease to be an Osmow's franchisee.

Post-Opening Obligations

After you open your business, we will furnish such continuing advice on the following matters as we, in our sole judgment deem reasonably required by you:

1. Restaurant Training and Operations Manual (Section 7.4(b) F.A.) Provide updates and revisions to the Restaurant Training and Operations Manual.

2. Additional Training (Section 7.4(d) F.A.) We may consider conducting additional seminars or other training programs for your benefit and your Designated Operator and/or your managers may be required to attend.

3. Advertising and Promotional Programs (Sections 6.3, 6.4, 9.12 and Article 13 F.A.) For details see Advertising and Promotion below.

4. Improvements and Developments in the System (Section 7.4(b) F.A.) Consider improvements to and further development of the Osmow's System, including new product development.

5. Pricing (Section 8.9 F.A.) Determine prices which optimize profits for all Franchisees, and we will advise you periodically, concerning such prices. Pricing policies will be set forth in the Restaurant Training and Operations Manual.

6. Administrative, Bookkeeping, Accounting and Inventory Control Procedures (Section 12.3 F.A.) Establish and maintain appropriate administrative, bookkeeping, accounting and inventory control procedures.

7. Financial Advice and Consultation (Section 7.4(a) F.A.) Provide general financial advice and consultation, including resolving operating problems encountered by you.

If we have appointed an area representative or an agent in the jurisdiction in which the Restaurant is located, we may delegate certain of our obligations under the Franchise Agreement to such area representative or agent.

Advertising and Promotion (Sections 6.3, 6.4, 9.12 and Article 13 F.A.)

Upon signing the Franchise Agreement, you will be required to contribute $5,000 towards your marketing and advertising expenditures for the first year of operations of your Restaurant ("**Initial Marketing Fee**"). We will create and provide grand opening advertising, marketing materials, promotional materials and advertisements to assist you with the initial opening of your Restaurant. We recommend that you invite a local city councilor or other government representative to participate in the grand opening of your Restaurant. We may also provide certain marketing

materials including pre-opening stickers, website advertisements, in-store advertisements, home-mailers, coupons etc. related to the opening of your Restaurant. These expenses are included in the Initial Marketing Fee. You must, in consultation with us, use the balance of your Initial Marketing Fee for promotions and advertisements throughout the first year of operating your Restaurant. The grand opening event, marketing materials and advertisements will not necessarily be the same for all of our franchisees.

We intend to use radio, television, social media, billboards, digital media, flyers, POP and mailers to advertise and promote the Osmow's System. Media coverage will be local, regional or national. We develop advertising in-house. All advertising that you use must be pre- approved by our marketing department and we may assist you with the development of your own local advertising. There is no advertising council.

We administer a marketing and promotion fund (the "**Marketing Fund**") which we use to pay for the cost of preparing, developing and conducting national, provincial or local advertising and promotional programs, promotional events and materials, to cover creative and production costs and various market research costs, and to reimburse us for reasonable legal, accounting and administrative expenses associated with the Marketing Fund. The Marketing Fund is intended to maximize general public recognition and patronage of the trade-marks and System in the manner determined by us to be most effective, and we undertake no obligation to ensure that any franchisee benefits directly or proportionately from the placement of this advertising notwithstanding the contributions our franchisees are required to pay as described in Item 6 above and this Item.

We may charge franchisees different amounts for their contributions to the Marketing Fund based on their state. Typically, our franchisees pay a contribution to the Marketing Fund (the "**Advertising Fee**") of 3% of their monthly gross sales. We reserve the right to increase or decrease the Advertising Fee, including on a national, regional or state basis, at any time in our discretion upon notice to you. Our affiliates' corporate locations also pay this same Adverting Fee.

The Marketing Fund contributions that you and other franchisees make will be held in a separate bank account for this purpose. We will be entitled to reimbursement from the Marketing Fund for our administrative and overhead expenses of conducting this advertising and promotion; which expenses will not exceed 15% of the total Marketing Fund contributions received. If there is a surplus at the end of the year, we will carry the balance forward into the following year. Our advertising programs will be administered by us or with the assistance of an advertisement agency. The Marketing Fund is not audited. Upon request, you may receive periodic reports on advertising activities financed by the Marketing Fund.

There were no Marketing Fund contributions in 2023, and therefore, no Marketing Fund spend. We do not use the Marketing Fund to solicit new franchise sales. In December 2024, we began collecting Marketing Fund contributions from the Franchised Outlets.

You must spend at least 1% of your annual Gross Sales each year on local advertising as designated or approved by us including but not limited to sponsorship of local sports teams. You may not engage in any local advertising without our prior written approval. You may not use our trade-marks in any URL or e-mail address. You may not operate a website for the Restaurant, although

we will list you on our website located at www. osmows.com. You may not sell on a mobile app, unless approved by us.

You may not create, maintain, or engage in any social media presence related to the Restaurant or the Osmow's brand without our prior written approval and compliance with our social media policies and guidelines, as may be updated from time to time. You may not send marketing emails, text messages, or other electronic messages without our prior written approval.You are currently not required to participate in any local or regional advertising cooperative.

Computers and Electronic Cash Registers

You will be required to use the POS system that we designate. We currently use Givex as our designated supplier for POS services at all Osmow's restaurants. You will be required to pay for cloud services provided by Givex which currently costs approximately $105 plus applicable taxes per month. You are also required to enter into an agreement with Shift4 to provide credit/debit payment terminals and process transactions. Shift4 charges fees (as a percentage or fixed fee) based on the number of transactions, the type of transaction (e.g., Interact, Visa, MasterCard, other), as well as the number of credit/debit payment terminals supplied. You must lease two credit/debit payment terminals the cost of which is approximately $10 plus applicable taxes per terminal per month. You must also purchase four menu boards, mounting hardware and menu board software from Stingray. The cost of the menu boards and mounting hardware is $8,500-$9,000. The cost to license the menu board software is approximately $60 plus applicable taxes per month. You must also obtain access to our online portal via Modzee for the Restaurant Training and Operations Manual at a cost of approximately $20 plus applicable taxes per month. We have the right to designate a different system or supplier if we consider it advisable. See Item 8 above. (Section 6.6 F.A.) You will also be required to obtain a music licence from Stingray at a cost of $48 a month plus applicable taxes.

You must keep bookkeeping, accounting and recording keeping systems as prescribed by us. (Sections 12.1 and 12.3 F.A.). This does not require additional hardware or software purchases, other than as set forth in this Disclosure Document.

All sales made at the Restaurant must be recorded on an electronic POS system. Before opening the Restaurant, you must purchase the required computer hardware, software, Internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment that make up the POS System. (Section 12.5 F.A.) This system will allow us to collect a wide variety of data about your Restaurant. You must obtain high-speed communications access for your POS System, such as broadband, DSL or other high-speed capacity. You must also maintain a functioning e-mail address for your business – the word "**Osmow's**" cannot be used in your e-mail address.

POS Hardware:

The POS hardware will include:
Point of sale terminals 1 Vhub
22" Kitchen display monitor
10" Kitchen display monitor

10” Customer facing display monitors
Cash drawers
Thermal Printers

You will be required to enter a sales agreement and purchase this POS hardware, along with a warranty, from our designated supplier. We estimate the cost of the POS hardware package and 1-year warranty to be approximately $8,000 (with a 1 year manufacturer warranty for peripherals). This estimate may increase if you purchase additional optional equipment and does not include shipping costs.

POS Software:

You will be required to enter a sales and software support agreement to purchase specified POS software from our designated supplier. We estimate the initial cost of this software will be $500. You will also be required to enter a software support agreement and pay any ongoing monthly support fees, which we currently estimate to be $180.

The cost of purchasing and installing the POS system is included in the cost estimate provided for the Initial Furniture, Fixtures and Equipment Package in Item 7 above. The POS system, comprised of the hardware and software components, will store information concerning your sales, inventory, accounting and other operations. You must provide all assistance we require to bring your POS System on-line with our web-based server at the earliest possible time and to maintain this connection as we require. We may retrieve from your POS system all information that we consider necessary, desirable or appropriate. There are no contractual limitations on our right to access information. (Section 12.2 F.A.) We may also inspect, audit and photocopy, during normal business hours, without prior written notice, the receipts and other information generated by your POS system. (Section 12.9 F.A.) If your records and procedures are insufficient to determine Gross Sales for any period, we may impose an estimate of Gross Sales on you. (Section 12.4 F.A.)

You must maintain your POS system and keep it in good repair. There is no contractual limit on our ability to require you to upgrade the system, add components to the system and replace components of the system. (Section 9.15 F.A.) We cannot estimate the cost of maintaining, updating or upgrading your POS system or its components because it will depend on your repair history, local costs of computer maintenance services in your area and technological advances which we cannot predict at this time.

Digital Menu Boards:

You must purchase 4 digital menu boards and mounting hardware from Stingray. Each screen must be capable of being mounted and displaying an image from a portrait orientation. We estimate the cost to be $7,500 plus applicable taxes. There will be a monthly cost of approximately $60 plus applicable taxes.

Online Ordering

You will be obligated to utilize our designated vendor for online/cellular ordering services, which will integrate with your POS system. Generally, transaction fees will be a function of the number of online orders you process, and the service plan you select.

Loyalty Program

When established by us, you are required to participate in the Osmow's loyalty program through our designated vendor. We estimate the cost to participate to include a onetime set up fee of $150, a $100 per month platform fee, and a per transaction fee consisting of the vendor's cost plus approximately $0.03. You may also need to acquire a scanner to participate in the program. We are currently sourcing vendors and do not know the cost of the scanner.

Gift Card Program

You are required to participate in the Osmow's gift card program through our designated vendor. We estimate participation to cost a monthly fee of $10 plus applicable taxes and a per transaction fee estimated currently at $0.60 per card.

Upon the expiration or earlier termination of this Agreement, all software, disks, tapes and other magnetic storage media that we provided to you must be returned to us in good condition (reasonable wear and tear excepted) and you must delete all software and applications from all memory and storage.

We may change any of these requirements or items at any time in our sole discretion. Costs of additional hardware and software vary significantly, and computer products are frequently upgraded, superseded, or replaced or become obsolete, all of which can affect your costs.

We do not have any obligation to provide ongoing maintenance, repairs, upgrades, or updates to the required computer systems.

Location Selection (Sections 5.1 and 5.2 F.A.)

We must approve your location. We may select a restaurant location or you may bring sites to us for our approval. We employ a multi-pronged process to evaluate potential sites for the construction of an Osmow's restaurant. The factors we consider include: zoning, rent, available term, demographics, traffic, access/egress, visibility, seating capacity, proximity to shopping malls or plazas, premises size, mechanical/electrical, space for signage, design, budget and timing of construction.

You may sublease your Restaurant premises from us or one of our affiliates and will be bound by the terms of the head lease that we or our affiliate signs with the landlord of the premises. A copy of the Sublease that you must sign in these instances is attached as Schedule 4 of the Franchise Agreement.

At our option, we may instead require that you lease your Restaurant premises directly from the landlord of the premises. In such cases, we may negotiate the lease on your behalf and will include the Franchisor Rider that allows us certain step-in rights. If we opt to not negotiate the lease with the Landlord on your behalf, you will have to obtain legal counsel to negotiate and review the lease and ensure it incorporates the terms we negotiated in the binding Offer to Lease with the Landlord.

If you enter into the lease directly with the landlord, they may require the Equity Owners to personally guarantee the lease. Attached as Schedule 8 of the Franchise Agreement is the draft Franchisor Rider that may be amended during negotiations with landlords.

Under the Franchisor Rider, if you default on the lease that you have entered into directly with the landlord of your Restaurant's premises and you fail to cure the default within the applicable cure period, we will have the right to cure the default on your behalf if the default is curable, or immediately assume the lease if the default is incurable. Additionally, if your Franchise Agreement expires or is terminated for any reason, we will have the right to assume your lease immediately.

As described in Item 5 above, if we are unable to identify and acquire a suitable location for your Restaurant within 12 months after you sign the Franchise Agreement, Franchisor or Franchisee will have the option to terminate the Franchise Agreement, and Franchisor will refund to Franchisee the initial Franchise Fee, without interest, less any amounts for related costs, expenses or fees the Franchisor incured during that time.

Time for Opening

The typical length of time between signing the Franchise Agreement and opening your Restaurant is 3 to 6 months. Some factors that might affect when your Restaurant opens include the ability to find and acquire a suitable location, availability of financing, construction timeline, delivery time for furniture, fixtures and equipment, building permit application process, and the amount of training that is required.

Training (Sections 9.1(b) and 9.2)

Initial and ongoing training is mandatory. Initial training will be provided to two people: the Designated Operator, who is responsible for general management of the Restaurant and will be actively involved in the Restaurant on a day-to-day basis, and one full-time employee who will have various lower level responsibilities. Each of these two trainees must complete 94 to 122 hours of training. While our costs for initial training are included in the initial franchise fee, you will be responsible for the cost of travel and accommodation and the wages of all participants. You will be responsible for hiring and training any additional staff you may require.

At the beginning of the initial training program you will be given the Osmow's Restaurant Training and Operations Manual. You will review all aspects of the Restaurant Training and Operations Manual with our instructor.

Initial training will include a review of our Pre-Training Work Manual by way of self-study. We will then schedule approximately 12 hours of classroom training at our head office in Mississauga, Ontario, or at another location designated by us, or if determined by us acting reasonably virtually by way of online or web-based resource(s). You will need a passport to travel to our head office and you must comply with any COVID-19 restrictions imposed by the Canadian federal and Ontario provincial governments. Classroom training will include a lecture and video tapes. We will then schedule 82 to 110 hours of initial training at one or more of our franchised or corporate restaurants. We will provide you with prior notice confirming the location and time of such training. We may extend or shorten the initial training period as required. Franchisees typically

take two weeks to complete initial training. One of our instructors will also visit on occasion during your initial training at our Osmow's restaurant and provide reports to us on your training progress.

INITIAL TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Pre-Training Work: Manual Review	The time needed for self-study will vary	2-5	Location of Your Choice
Systems and Standards Training	2	10-15	Our head office in Canada and/or a franchised or corporate location
Daily Operations Training	2	20-25	Our head office and/or a franchised or corporate location
Food Preparation Training	2	10-12	Our head office and/or a franchised or corporate location
Inventory Ordering Training	2	5-8	Our head office and/or a franchised or corporate location
Customer Service Training	2	15-20	Our head office and/or a franchised or corporate location
Catering/Delivery Training	2	20-25	Our head office and/or a franchised or corporate location
	TOTAL CLASSROOM HOURS: 12	**TOTAL ON-THE-JOB HOURS: 82 to 110**	

We conduct our initial training program as required. We prefer to see training completed no sooner than 4-6 week before opening, but exceptions may be made if there are extenuating circumstances.

Materials are provided for all participants of this training. Materials include the Restaurant Training and Operations Manual.

Training will be conducted and overseen by Craig Sanborn, our Senior Operations Manager. Mr. Sanborn has been our Senior Operations Manager since March 2025. Prior to that, he was the Senior Director of Company and Franchise operations at Taziki's Mediterranean Café from April 2020 to March 2025

In the event that you or the Designated Operator fail to complete the initial training program to our satisfaction, we will be entitled to terminate the Franchise Agreement. We will refund you the initial franchise fee less $25,000.00 if we elect to terminate the Franchise Agreement. In the event that the employee (i.e., other than the Designated Operator) fails to complete the initial training program or you require an additional employee to be trained, you must pay us for the time we incur in providing such additional training at our then-current hourly rate. Our rate for additional training is currently $75 per hour.

In addition to initial training, your employees must complete such additional continuing education and training programs as we may require from time to time, and we have the right to charge you for such training. You will also be required to attend any and all mandatory seminars, conferences, or other continuing education and training programs that we may organize for franchisees, at your

cost. Additional training is mandatory for any new process we introduce to the Osmow's system (e.g., menu changes) and if your Restaurant is not being operated in accordance with system requirements and standards.

If you hire a replacement Designated Operator, you must pay us $5,000 to train the replacement.

Currently, we operate an online portal (website or app) only available to our franchisees at a monthly cost of about $20 plus applicable taxes This portal provides franchisees with an online version of the Restaurant Training and Operations Manual, training videos, bulletins, notices, and other resources.

If the Franchisor has appointed an area representative or an agent in the jurisdiction in which your Restaurant is located, the Franchisor has the right to delegate its training obligations under the Franchise Agreement to such area representative or agent.

ITEM 12
TERRITORY

The franchise is either for a specific location identified in the Franchise Agreement or a location to be approved by us.

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 is no minimum sales quota.

We may, without limitation, operate or grant franchises to operate a restaurant utilizing the System at any location, including in close proximity to your location. We also may sell products and services either identified by the Names and Marks or other trade names and trademarks through other distribution channels, including food trucks, ghost kitchens, grocery and other retail stores, through wholesale distribution, mail order and over the Internet to your customers.

There are no restrictions preventing you from soliciting or accepting orders anywhere. Likewise, there are no restrictions preventing us or other franchisees from soliciting or accepting orders anywhere. We and other franchisees are under no obligation to compensate you for the solicitation or acceptance of orders from customers in close proximity to your location. You may not sell over the Internet or any other communications network without our prior written approval.

You may not relocate your Franchised Business without our written permission. You do not have the right to acquire any additional franchises or operate anywhere other than the specified location. We are under no obligation to sell you additional franchises. We may determine, for example, that you do not have the management or financial capability to acquire or operate an additional location.

We do not have, nor do we have any plans to have, other franchised or company-owned outlets or another channel of distribution selling similar products or services under a different trademark.

But there are no restrictions on our ability to do so. We may acquire existing restaurants and rebrand them under the name Osmow's. We may acquire a competing restaurant system or be acquired by a competing restaurant system, and that system may compete with you under its existing name or its existing stores may be rebranded, including under the Osmow's name.

We may limit the customers and locations to which you are entitled to provide delivery and catering services or otherwise limit the delivery and catering services you provide to a defined area around your Restaurant.

ITEM 13
TRADEMARKS

We grant you the non-exclusive right to establish and operate a restaurant under the name "**Osmow's**". You may also use the other Names and Marks that we designate as part of the System. The Restaurant Training and Operations Manual contains specifics on how our Names and Marks must be used. The following principal Names and Marks are either registered on the Principal Register of the United States Patent and Trademark Office or we have filed an application for registration on the Principal Register of the United States Patent and Trademark Office:

Trademark	Jurisdiction	Application Number	Registration Number	Status
YOUR GO-TO SHAWARMA SPOT YOUR GO-TO SHAWARMA SPOT	USPTO	App 97453365 App 10-JUN-2022		Pending
Design Only	USPTO		Reg 7025308 Reg 11-APR-2023	Registered
OSMOW'S SHAWARMA	USPTO		Reg 7409352 Reg 4-JUN-2024	Registered
STIX SUPREME	USPTO		Reg 7165316 Reg 12-SEP-2023	Registered
OSMOW'S	USPTO		Reg 6860014 Reg 27-SEP-2022	Registered
OSMOWS Osmow's	USPTO	App 88692755 App 14-NOV-2019	Reg 6303875 Reg 30-MAR-2021	Registered
ON THE ROX	USPTO		Reg 6986780 Reg 21-FEB-2023	Registered

ON THE STIX	USPTO		Reg 6859910 Reg 27-SEP-2022	Registered
WE'RE MAKIN' WHAT YOU'RE **CRAVIN'**	USPTO		Reg 6873132 Reg 11-OCT-2022	Registered
ROCKSBOX	USPTO	Feb 4 2025		Pending

We have filed all required affidavits.

There are presently no effective determinations of the USPTO, any trademark trial and appeal board, any state trademark administrator or court, any pending interference, opposition, or cancellation proceeding involving any of the Names and Marks identified in this Item 13.

No registration of a Name or Mark has been renewed.

We are a party to a License Agreement, effective March, 2022, pursuant to which our affiliate, 1472031 Ontario Inc., has licensed to us the non-exclusive right to use the Names and Marks in the United States. Our affiliate has also granted us the non-exclusive right to sublicense such rights to our franchisees in the United States. The License Agreement is for an indefinite term, and will remain in effect unless terminated by either party upon 30 days' written notice. If the License Agreement is terminated, you may be required to stop using the Names and Marks. Except for this agreement, there are no agreements currently in effect which significantly limit our rights to use or license the use of the Names and Marks identified in this Item 13 in a manner material to the franchise.

You cannot use our Names or Marks, which include the use of the name "**Osmow's**" as part of a corporate or other business entity name; however, we may permit you to file an "**assumed name**" registration, but only in accordance with our assumed name policy. You cannot use the Names and Marks on any website or as part of any domain name or email address. You cannot use our Name and Marks with modifying words, designs or symbols except for any which we license to you. You cannot use our Names and Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by us. You must not directly or indirectly contest our right to our Names and Marks and the trade secrets and business techniques that are part of our business. You must place a conspicuous sign in your Restaurant indicating that you are a franchisee operating under license.

You must notify us immediately when you learn about an infringement of, or challenge to your use of, our Names and Marks. You must not take any other action without our prior written

permission. We will take the action we think appropriate and have the right to control litigation. You must cooperate fully with us in any proceeding or challenge. We are not required to defend you against claims arising from your use of our Names and Marks and have no liability to you for any senior users claiming rights in the Marks.

If we change or must change our Names and Marks, we will have no liability to you, and you will incur all expenses relating to the changes, including the cost of replacing signs and other printed material.

We do not know of any infringing uses that could materially affect your use of our Names and Marks.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Franchisor's Patent Rights and Copyrights

We do not own rights in or to any patents that are material to the franchise. However, we claim and reserve common law copyright protection for the Restaurant Training and Operations Manual and certain marketing, sales, and operations literature. There are no presently effective determinations of the Copyright Office, any pending interference, opposition or cancellation proceedings or any pending material litigation involving such copyrights which is relevant to their use. There are no agreements currently in effect which significantly limit our rights to use or license the use of such copyrights in any manner material to the franchise. We are not obligated by the Franchise Agreement or otherwise to protect any or all such rights or to protect you against claims of infringement of such rights. You must notify us immediately when you learn about any infringement. While we are not required by the Franchise Agreement to defend you against any infringement, it is our policy to take any and all appropriate action necessary to defend such rights against any claims and to seek legal recourse in the event of any infringement. We have the right to control litigation. You must cooperate fully with us in any proceeding. If we change or discontinue any copyrighted materials, you must comply and you will not be reimbursed. There are no infringing uses known to us which could materially affect your use of such rights.

You may use our copyrighted materials in the performance of permitted activities. Ownership of all right, title and interest in and to these copyrighted materials remains with us or our affiliate. You must keep these materials confidential and they must be returned to us on the expiration, termination or transfer of your rights under the Franchise Agreement.

Trade Secrets and Other Confidential Information

You will obtain knowledge of proprietary techniques, business procedures and other matters that are necessary and essential to the operation of the Restaurant, without which information, you could not effectively operate such business, including, knowledge regarding the Osmow's System, the layout of the Restaurant and the Restaurant Training and Operations Manual. You must acknowledge that this proprietary information was not known to you prior to signing the Franchise Agreement and that it is unique to the System.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

The Franchise Agreement provides that you will devote your full time, labor, skill, efforts and attention to honest, diligent and faithful operation of the Restaurant, subject to the employment of a Designated Operator. We highly recommend that you participate in the day-to-day management and operation of the Restaurant as the Designated Operator. Only in limited circumstances will we permit you to be an absentee owner. We require the Designated Operator and one full time employee that you hire satisfactorily complete our training. See Item 11 above for more details on training. The Restaurant must at all times be under the direct on-premises supervision of you

or the Designated Operator. A Designated Operator or manager does not have to be an Equity Owner. Section 11.2 of the Franchise Agreement imposes confidentiality obligations on all of your directors, managers, equity owners, employees, representatives and agents with respect to the Restaurant Training and Operations Manual

Initial training will be provided to two people: the Designated Operator, who is responsible for general management of the Restaurant and will be actively involved in the Restaurant on a day-to-day basis, and one full-time employee who will have various lower level responsibilities. Each of these two trainees must complete 104 to 132 hours of training. While our costs for initial training are included in the initial franchise fee, you will be responsible for the cost of travel and accommodation and the wages of all participants. You will be responsible for hiring and training any additional staff you may require. You may form a partnership, limited liability company or corporation to buy the franchise. We require that you and all individual Equity Owners of the operating company buying the franchise and its directors, managers and officers personally guarantee performance of all obligations under the various franchise agreements. In the event the operating company that buys the franchise is owned by another entity, that entity, along with all of its Equity Owners, directors, managers and officers, must also corporately and personally guarantee performance of all obligations under the various franchise agreements. If we determine that your credit and that of your co-applicant(s) is not sufficient, we may also require personal guarantees from your spouse or parents or those of your co-applicant(s). You, or you and your co-applicant, must be the beneficial and legal owner of 51% of the voting equity interests of the operating company. Any transfer or issue of voting rights in the partnership, limited liability company or corporation will require our consent. Section 9.19 of the Franchise Agreement impose confidentiality obligations on you and your employees, officers, directors, managers, shareholders, members, partners, representatives and agents. Section 9.20 of the Franchise Agreement impose non-competition obligations on you and any guarantors under the Franchise Agreement.

If we determine, in our sole judgment, that you are unable to operate the Restaurant in accordance with your obligations under the Franchise Agreement due to the death, absence or incapacity of you or your principals, shareholders or partners, or any non-compliance with the Franchise Agreement, then we may operate the Restaurant as your agent and on your behalf for so long as we deem necessary and practical, and you will be required to reimburse us for all of our costs and expenses and reasonable compensation.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell products and services that we have approved. (See Item 8 above). Products and services must be offered according to the recipes, methods, processes and promotional materials prescribed by us. We may amend the System to add new products and services that you must offer. There are no limits on our right to do this. You are not limited as to the customers to whom you may sell the approved products and services. Failure to operate the Restaurant according to the System is a default under the Franchise Agreement and grounds for termination of your franchise. (See Item 17 below). Subject to local laws, you must keep the Restaurant open on the days and during the hours specified in the Restaurant Training and Operations Manual. You may not be associated either directly or indirectly with a business that is competitive with the Restaurant. We determine the maximum retail prices for the products and services you will sell. You may not sell products or services at prices above the maximum prices we set.

You may not install or permit the installation of any vending machines, bank machines, telephones or other machines or terminals on the premises without written approval from us. Any revenue generated from such machines or terminals, if approved, must be included in your reports of gross sales.

You may not sell products or services in a manner other than at the Restaurant itself or through catering and delivery services.

As part of the operation of your Restaurant, you will be required to provide catering and delivery services. We may require you to participate in centralized food ordering, delivery and/or catering programs which may include online food ordering and/or delivery platforms. We may limit the customers and locations to which you are entitled to provide delivery and catering services or otherwise limit the delivery and catering services you provide to a defined area around your Restaurant. Currently, all of our franchisees are required to enter into agreements with UberEATS, DoorDash, EzCater and GrubHub, to the extent that these providers service the franchisee's area. We use reasonable efforts to negotiate favourable agreement terms for all of our franchisees and you must agree to abide by such terms. These designated service providers limit the area around your Restaurant within which they will accept and deliver food orders. These service providers charge you different service fees which typically include a percentage of the sale price for any items sold through their platform as well as additional transaction fees. In some cases, you must purchase or rent related equipment and software from these designated suppliers. You should note that the definition of Gross Sales includes amounts that are attributable to the sale of products and/or services from your Restaurant regardless of whether those amounts are paid to you or to a third party. For example, the total sale price paid by a customer for any food items from your Restaurant will be included in Gross Sales regardless of whether a portion of such sale amount was received by UberEATS or other delivery partner directly as a commission on that sale.

In addition to these designated food ordering/delivery programs, subject to receiving our prior written approval, you may choose to arrange your own delivery services or participate in other online platforms to service your customers. Additionally, we plan to launch our proprietary Osmow's Mobile App in 2025, which may be available for food ordering and delivery services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Franchise Agreement

Provision	**Section in Franchise Agreement**	**Summary**
a. Length of the franchise term		The lesser of 10 years and the term of the sublease or lease for the location of your Restaurant.
b. Renewal or extension of the term		Provided you meet certain conditions, you have one option to renew for a term equal to the lesser of 5 years and the unexpired term of the sublease or lease, as the case may be, plus any renewals which may be, and subsequently are, exercised.
c. Requirements for you to renew		The Franchisor must still be awarding new Osmow's franchises in the Province where this Restaurant is located at the time the Franchisee is permitted to exercise its renewal. The Franchisee will give to the Franchisor written notice of its election to renew this Agreement not less than 12 months and not more than 18 months prior to the end of the initial term of this Agreement. At least 6 months prior to the expiration of the initial term of this Agreement, the Franchisor will review all aspects of the Franchised Business and give notice of all required capital expenditures, modifications, renovations, alterations, refurbishment, remodeling and redecoration to the Location and to the Franchised Business necessary to comply with the Franchisor's then-current standards and image (collectively, the "**Updates**") . If the Franchisee elects to renew this Agreement, the Franchisee will complete, at the Franchisee's own expense and to the Franchisor's satisfaction, all required modifications, renovations, alterations, refurbishment, remodeling and redecoration as well as adopt and implement any new methods, programs, technology, modifications, systems and

		techniques required by the Franchisor's notice no later than 2 months prior to expiration of the initial term of this Agreement. The Franchisee will not be in default of any provision of this Agreement, the Lease, or any other agreement between the Franchisee and the Franchisor or any affiliate of the Franchisor and will have substantially complied with all of the terms and conditions of such agreements throughout the term of such agreements. The Franchisee must not have received 3 or more notices of default during any 18-calendar month period during the Term, regardless of the reason for default, whether they were cured in a timely manner or whether they were the same or different defaults. The Franchisee must meet all KPIs set out in the Manual. The Franchisee (and, if the Franchisee is a corporation, its shareholders, directors and officers and, if the Franchisee is a partnership, all of its partners) will have satisfied all monetary obligations owed by the Franchisee to the Franchisor on a timely basis throughout the term of this Agreement. At the option of the Franchisor, the Franchisee will execute the Franchisor's then-current form of franchise agreement and related documentation, including personal guarantees, which will supersede in all respects this Agreement, and which may differ materially from the terms of this Agreement, including a different fee structure which may include, but not be limited to, higher amounts of Royalty Fees and Advertising Fees. The Franchisee (and, if the Franchisee is a corporation, its shareholders, directors and officers and, if the Franchisee is a partnership all of its partners) will deliver to the Franchisor a complete release of the Franchisor, its directors, officers, and shareholders, its affiliates and subsidiaries and the directors, officers, and shareholders thereof, from all obligations under this Agreement of any such persons, in form satisfactory to counsel for the Franchisor (such release not to include a release of any claims under the Arthur Wishart Act (Franchise Disclosure), 2000, S.O. 2000, c. 3, any claims under equivalent franchise legislation that may

		apply, or any common law claims incorporated thereunder). The Franchisee will successfully complete the Franchisor's then-current training requirements, if any, for renewing Franchisees. The Franchisor may require the Franchisee to pay a training fee. The Franchisee will not be in default of any provision of the Lease for the Location and has the right to use and remain in possession of the Location to the end of the renewal term. The Franchisee will pay a renewal fee equal to 50% of the then-current Franchise Fee charged by the Franchisor to new OSMOW'S franchisees plus all applicable taxes. In addition, the Franchisee shall reimburse the Franchisor for all reasonable legal fees and other costs and expenses incurred by it as a result of the Franchisee's exercise of the renewal option herein provided for. The Franchisee shall have no further option to renew the term of this Agreement after the expiry of its one option to renew. If for any reason, Franchisee continues to operate the Restaurant beyond the Term of this Agreement or any subsequent renewal period, it shall be deemed to be on a month-to-month basis under the terms of this Agreement and subject to termination upon 30 days' notice or as required by law. If the hold-over period exceeds 90 days, this Agreement is subject to immediate termination unless applicable law requires a longer period. Upon termination after any hold-over period, Franchisee and those in active concert with Franchisee, including family members, officers, directors, partners and managing agents, are subject to the terms of Agreement including post-termination obligations contained in this Agreement.
d. Termination by franchisee or franchisor		Franchisee or Franchisor may terminate the Franchise Agreement, if after 12 months of signing, a location for the Restaurant has not been identified.

e. Termination by franchisor without cause	None	Franchisor does not have a right to terminate the Franchise Agreement without cause subject to Franchisor's right to purchase Franchisee's Restaurant as described in (p) below.
f. Termination by Franchisor with cause		Franchisor may terminate the Franchise Agreement for cause. Any default of any other agreement between the Franchisor and Franchisee will be deemed a default of the Franchise Agreement, and vice versa.
g. "**Cause**" defined – curable defaults		The Franchisee, by act or omission, permits a continued violation in connection with the operation of the Franchised Business of any law, ordinance, rule or regulation of a governmental agency, and said violation continues for a period of 5 days after notification of non-compliance in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief from compliance. The Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated with them or the Franchisor's rights in them. The Franchisee engages in any business or markets any service or product under a name or mark which, in the Franchisor's opinion, is confusingly similar to the Marks. The Franchisee is unable to obtain, maintain or renew any license or permit required for the operation of the Location or the Franchised Business by any governmental authority, including but not limited to any liquor sales license, or if such license or permit is revoked or suspended, regardless of the cause or reason for such revocation or suspension. The Franchisee fails to maintain minimum working capital, as reasonably established from time to time by the Franchisor, in the Franchised Business.

		The Franchisee fails to operate the Location or the Franchised Business with the required number of fully-qualified personnel as prescribed in the Manual. The Franchisee fails to comply with its duties set out in this Agreement, or fails to perform any obligation owing to the Franchisor or to observe any covenant or agreement made by the Franchisee including non-payment of amounts owed, whether such obligation, covenant or agreement is set forth in this Agreement or in any other agreement with the Franchisor including, but not limited to, any other franchise agreement by and between the Franchisor and the Franchisee or any entity related to the Franchisor. The Franchisee fails to maintain and submit on time to the Franchisor all reports required pursuant to this Agreement, including but not limited to, financial statements, periodic and other reports of Gross Sales. The provisions for transfer by the Franchisee upon death or Incapacity are not strictly followed. The Franchisee and its employees fail to attend and successfully complete any mandatory training program. The Franchisee fails to maintain any of the standards or procedures or to fully and properly employ the System and Marks designated by the Franchisor in this Agreement, the Manual, any other franchise agreement between the Franchisor and the Franchisee or any other agreement between the parties, or otherwise in writing. The Franchisee fails to maintain and keep the Location and all equipment in good working order and repair. The Franchisor receives a number of complaints from customers and/or suppliers respecting the Franchised Business which is greater than 10% above the average of complaints received with respect to the all other OSMOW'S restaurants operated or franchised by the Franchisor for any 12 calendar month period, or if the Franchisor receives more than 5 of the same complaints or complaints of a similar nature from

		customers and/or suppliers respecting the Franchised Business in any 12 calendar month period and the Franchisee does not remedy the circumstances giving rise to such complaints to the reasonable satisfaction of the Franchisor within 5 days of notification.
h. "**Cause**" defined – non-curable defaults	17.2	The Franchisee fails to deliver an executed Lease incorporating the Franchisor Rider for a Location approved by the Franchisor within 12 months of the Effective Date of this Franchise Agreement. A material misrepresentation or omission is made by Franchisee or a representative of Franchisee in obtaining the franchise rights granted by this Agreement, Franchisee's material misuse or unauthorized use of the System or Marks or any other act by Franchisee which does, or can reasonably be expected, in the opinion of the Franchisor's to adversely affect the System, the Marks, the goodwill or reputation associated with any aspect of the System or Marks, or the Franchisor's interest in them; Franchisee's failure to comply with any federal, state or local law within 10 days after being notified of non-compliance, unless the violation involves public health and safety, in which case the cure period shall be as set out in (v) hereof; The Franchisee or any principal of the Franchisee fails, refuses or neglects to pay any monies owing to the Franchisor or its affiliates or suppliers within 5 days of demand for payment. The Franchisee or any officer, shareholder, director, partner or key employee, agent or independent contractor is convicted of a criminal offence or any other crime or offence that is reasonably likely, in the opinion of the Franchisor, to adversely affect the System, the Marks, the goodwill or reputation associated with any aspect of the System or Marks, or the Franchisor's interest in them. The Franchisee or any officer, shareholder, director, partner, employee, agent or independent contractor discloses or divulges the contents of the Manual or

		other trade secrets or confidential information provided to the Franchisee by the Franchisor. An approved transfer is not completed within the designated time following the death or Incapacity of any person with any interest in the Franchised Business or in the Franchisee or upon the dissolution of a Franchisee that is a partnership or corporation, with a person approved by the Franchisor. An order is made or resolution passed for the winding-up, dissolution or liquidation of the Franchisee. Any execution, seizure, attachment or similar process is issued against the Franchisee or any creditor of the Franchisee takes any action or proceeding whereby the business premises of the Franchised Business or any of the fixtures, furnishings or property on those premises is taken or seized, unless such execution, attachment or seizure is set aside, discharged or abandoned within 10 days after its commencement. The Franchisee attempts to make any bulk sale, sale of an enterprise or to remove any part of the fixtures, furnishings or inventory from the business premises of the Franchised Business other than in the normal course of business. The Lease or Sublease of the Location of the Franchised Business expires or is terminated for any reason whatsoever. The Franchisee becomes insolvent or is unable to meet its obligations as they become due, or makes a general assignment for the benefit of creditors, or any of the assets of the Franchised Business are seized, taken over or foreclosed upon, or if an assignment in bankruptcy is filed by the Franchisee or a petition is filed against and consented to by the Franchisee, or if the Franchisee becomes a bankrupt, or proceedings for the appointment of a receiver or receiver/manager or other custodian (permanent or temporary) of the Franchisee or of the Franchised Business or any portion of the Franchised Business is appointed by any court or creditor of the Franchisee or the Franchised Business or if proceedings for a proposal

		to the creditors of the Franchisee or the Franchised Business under any federal, territorial, provincial or foreign law should be instituted by or against the Franchisee, or if Franchisee files a voluntary petition under any section or chapter of Canadian federal or provincial bankruptcy law or under any similar law or statute. The Franchisee abandons, threatens to abandon, surrenders or fails to carry on normal business operations at the Location for a period of two (2) consecutive days except where appropriate arrangements have been made for the on-going management of the Franchised Business, which arrangements have been pre-approved in writing by the Franchisor. Any legal or beneficial interest in this Agreement, the Franchisee, or any assets of the Franchised Business is or are transferred without full compliance with the requirements of this Agreement. The Franchisee purports to transfer any rights or obligations under this Agreement or any lease for the Location to any third party without the Franchisor's prior written consent, or otherwise contrary to the terms of this Agreement. The Franchisee knowingly maintains false books or records or submits any false statements, applications or reports to the Franchisor. The Franchisee engages in conduct that constitutes a misrepresentation or a fraudulent, deceptive or unlawful act or practice in connection with its sale of the services and products offered by the Franchised Business, or the Franchisor has reasonable grounds to believe that the Franchisee has engaged or will engage in such conduct. The Franchisee submits at any time during the term of this Agreement a report, financial statement, tax return, schedule or other information or supporting record which understates Gross Sales for any period by more than 3% not as a result of clerical error, or by reason of such clerical error, understates Gross Sales

		by more than 3% on more than 2 occasions in any 24 month period. The Franchisee submits any report, financial statement, tax return, schedule or other information or supporting records required under this Agreement, more than 5 days after the date for delivery as required on 2 or more occasions during the term of this Agreement. The Franchisee operates the Franchised Business in a manner that presents a health or safety hazard to its customers, employees or the public and such manner of operation continues uncorrected with 24 hours following notice to correct same from the Franchisor, the Head Landlord of the Location, or the applicable governmental authority is delivered to the Franchisee. The Franchisee receives 3 or more notices of default under this Agreement within an 18 month period during the term of this Agreement, regardless of whether such notices of default relate to the same or different defaults, or whether such defaults have been remedied by the Franchisee. If the continuance, in whole or in part, of the business contemplated by this Agreement in a normal, profitable manner is impaired by present or future legislative enactments or regulations, or by interpretations of any such legislation or regulations, or the actions of any civil or military authority, or acts of God, war, or civil disorders
i. Cross Default		Any default by the Franchisee of any other agreement between the Franchisee and Franchisor (including agreements between the Franchisee's affiliate or otherwise related entity and the Franchisor or its affiliate) is a default under the Franchise Agreement.

j. Franchisee's obligations on termination/expiration	19.3,	Upon termination, Franchisee must: cease to operate the Restaurant; immediately stop using the trade-marks, including all signage, any equipment, format, confidential method, program, literature, procedure and technique associated with the System;
		cancel any business name registration which includes the trade-marks; allow Franchisor to grant other franchise at the premises; pay all money owing to the Franchisor and suppliers within 3 days; pay Franchisor's damages, costs, and expenses, including legal fees; turn over all copies of POS software, manual, records, files, instructions, correspondence, agreements, disclosure statements and other materials; vacate the location; comply and cooperate with Franchisor's option to purchase assets; notify telephone companies, ISP, and other accounts of assignment to Franchisor or other designee; assign all licenses, accreditation, applications, etc. to the Franchisor; execute any documents required to document the termination; acknowledge that it is still bound by restrictive covenants; indemnify the Franchisor against any liabilities, losses, suits, claims, demands, costs, fines and actions of any kind; and allow Franchisor to enter the location.

k. Assignment of contract by Franchisor		Franchisor may assign the contract to any person or legal entity without the Franchisee's consent.
l. "**Transfer**" by franchisee – defined		Includes the sale, assignment, transfer, conveyance, giving away, pledge, mortgage, hypothecation, or other encumbrance of any legal or beneficial interest in the franchised business.
m. Franchisor approval of transfer by franchisee		Franchisee or any party holding any interest in the Franchisee or in the franchised business must obtain the Franchisor's prior written consent prior to a transfer. Any purported transfer done without the
		Franchisor's prior written consent will be null and void and will be grounds for termination.
n. Conditions for Franchisor approval of transfer		Franchisee must request Franchisor's written approval. It must pay a $7,500 transfer request processing fee, and give the Franchisor an opportunity to exercise its right of first refusal, described below. The Franchisor may require that the conditions below be satisfied: transferee must be a newly incorporated company; Franchisee must have satisfied all monetary obligations; Franchisee shall have delivered to the Franchisor a complete release of all claims, with the exception of claims under the Arthur Wishart Act (Franchise Disclosure), 2000 or equivalent provincial franchise acts or common law claims incorporated thereunder which will not be released; transferee will agree to discharge all of the Franchisee's obligations under the Franchise Agreement; Franchisee must not be in default of Franchise Agreement or any other agreement with the Franchisor; transferee must meet the following standards: meet the Franchisor's managerial and business standards; possess a good moral character, business reputation, and credit rating; have the aptitude and ability to conduct the

		franchised business; and have adequate financial resources and capital to operate the Franchised Business; transferee will sign the then-current form of Franchise Agreement and related agreements; transferee must complete training;

		if transferee is a corporation, its owners must provide a personal guarantee; Franchisee must pay a transfer request processing fee of $7,500 (which will be credited towards the transfer fee if the transfer is approved or against legal/administrative costs incurred by the Franchisor if the transfer is not approved); Franchisee must pay the Franchisor the then- current initial franchise fee being charged to new Osmow's franchisees; Franchisee must reimburse the Franchisor for all costs and expenses (including legal and administrative costs) incurred in reviewing or considering the transfer or otherwise incurred in relation to the transfer regardless of whether the Franchisor consents to the transfer (the transfer request processing fee will be credited against this amount); Franchisee must provide a deposit equal to one month's rent as a holdback against utilities, realty tax, or operating cost adjustments; Franchisee must transfer any liquor sale license; Franchisee must agree to remain bound by the Franchise Agreement; the Franchisor may require the transferee to renovate or reconstruct the location at the transferee's expense; and the transfer must comply with all applicable legislation, including retail and harmonized sales taxes.
o. Franchisor's right of first refusal to acquire franchisee's business		If the Franchisee or one of its owners wishes to transfer their interest in the franchised business to an arm's length party, they must first offer the Franchisor the option of purchasing the interest on the same terms. Franchisor will respond within 30 days. If the Franchisor accepts, the transfer must be completed within 90 days.

p. Franchisor's option to purchase franchisee's business assets	19.8	Franchisor has the option to purchase at any time the Franchisee's entire interest in the Restaurant. The price payable by the Franchisor to the Franchisee will be equal to 3 times the Franchisee's EBITDA for the 12 calendar months preceding the date of delivery of the Franchisor's notice or if the Franchisee has not operated for at least 12 calendar months, the price will be equal to 3 times the average monthly EBITDA for all full months of operation, multiplied by 12. If the Franchise Agreement expires or is terminated, the Franchisor has the option for a period of 60 days to purchase the assets of the Store for net depreciated book value of all assets other than useable inventory, which will be purchased at the invoiced cost to the Franchisee (less shipping charges and taxes).
q. Transfer to a closely-held corporation		If the Franchisee is an individual, the Franchisee may (with the Franchisor's prior written consent) transfer the franchise to corporation without payment of a transfer fee provided the following conditions are met: (a) The original Franchisee will own 51% or more of the transferee corporation and be an officer and director of the corporation; (b) all shareholders, officers, and directors of the transferee corporation sign personal guarantees; (c) Franchisee is not in default; (d) Lease or Sublease is assigned; (e) transferee corporation agrees to assume the Franchisee's obligations; and (f) Franchisee reimburses the Franchisor for its legal and administrative costs.
r. Death or disability of franchisee	19.7	"**Incapacity**" means that the person is unable to perform his or her normal duties for 30 days in any 90 day period.

		Upon the death or incapacity of any person with an interest in the Franchisee, the person's executor, administrator, personal representative or trustee of such person or entity will transfer his or its interest to a third party approved by the Franchisor within 4 months of the death or deemed incapacity. The conditions for prior approval of transfers will apply. Franchisor has the right to operate the business if, in the opinion of the Franchisor, the death or incapacity of someone with an interest in the business interferes with the operation of the Restaurant.
s. Non-competition covenants during the term of the franchise		Franchisee or the Guarantors may not: Operate a competing business; or Divert business or customers of Osmow's restaurants to any competitor.
t. Non-competition covenants after the franchise is terminated or expires		Franchisee or the Guarantors may not: Operate a competing business within 2 miles of the Restaurant or any other Osmow's restaurant open or under development at the termination of the franchise for a period of two years; or Divert business or customers of Osmow's restaurants to any competitor for a period of two years.
u. Modification of agreement		Franchisor has the right to modify the Restaurant Training and Operations Manual, the system, and the trade-marks at any time without prior notice to the Franchisee. Franchisee must comply with the changes at its cost.
v. Dispute Resolution	21.11	Any disputes must be submitted to non-binding mediation. The mediator shall be appointed by the Franchisor and selected from the ADR Chambers roster. The mediation will be held in Toronto, Ontario. The costs of the mediator will be shared equally by the Franchisor and Franchisee. The parties must mediate for a minimum of 3 hours and if the dispute is not

		resolved, the parties must then proceed to binding arbitration. Arbitration will be held in Delaware in accordance with the {JAMS Rule]. The sole arbitrator shall be appointed by the Franchisor and must declare himself or herself generally conversant with franchise laws. The costs of the arbitrator shall be shared equally by the Franchisor and Franchisee.
w. Integration/merger clause		The Franchise Agreement is the entire agreement between the parties and supersedes any prior agreements or understandings.
x. Choice of forum		The State of Delaware, subject to applicable law,
y. Choice of law		The State of Delaware, subject to applicable law.

Sublease

There are additional clauses in the Sublease that will affect the termination and transfer of the Franchise Agreement. If you are terminated under the Sublease your Franchise Agreement may be terminated as well, and vice-versa. The relevant clauses of the Sublease are:

Provision	Section in Sublease	Summary
a. Length of the term	9(j)	The term of the Sublease is the same as the head lease for the premises, less one day. If your lease is terminated or expires, your Franchise Agreement will terminate as well.
b. Restriction on Transfer		Subtenant may not transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition or by subscription, all or any part of the shares in the Franchisee so as to result in a change of control without prior consent of the Tenant/Franchisor
c. Remedies on default		Franchisor will be permitted to re-enter and take possession of the premises if you fail to pay rent or breach any provision of the Sublease, and you are required to pay the current month's rent plus the next 3 months' rent immediately.

Franchisor Rider

Under the Franchisor Rider, if you default on the lease that you have entered into directly with the landlord of your Restaurant's premises and you fail to cure the default within the applicable cure period, we will have the right to cure the default on your behalf if the default is curable, or immediately assume the lease if the default is incurable. Additionally, if your Franchise Agreement expires or is terminated for any reason, we will have the right to assume your lease immediately.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in this 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 Carol Mechedjian at (905) 624-5546 ext. 226, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	2	+2

Company-Owned	2022	0	1	+1
	2023	1	2	+1
	2024	2	3	+1
Total Outlets	**2022**	**0**	**1**	**+1**
	2023	**1**	**2**	**+1**
	2024	**2**	**5**	**+3**

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024

State	Year	Number of Transfers
Total Outlets	**2022**	**0**
	2023	**0**
	2024	**0**

Table No. 3

Status of Franchised Outlets
For years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Total	**2022**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**3**	**0**	**0**	**1**	**0**	**2**

Table No. 4

Status of Company-Owned Outlets
For years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Florida							
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1

	2024	1	0	1	0	0	2
New York	2023	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
Total	**2022**	**0**	**1**	**0**	**0**	**0**	**1**
	2023	**1**	**1**	**0**	**0**	**0**	**2**
	2024	**2**	**1**	**0**	**0**	**0**	**3**

Table No. 5

Projected Openings As of December 31, 2024

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	1	0
Michigan	0	2	0
Ohio	1	1	0
Tennessee	0	0	0
Virginia	0	1	0
Texas	1	3	2
New Jersey	1	1	0
Indiana	0	1	0
Total	**3**	**10**	**2**

Attached to this Disclosure Document as Exhibit G is a list of our franchisees as of December 31, 2024.

Exhibit G also lists the name, city, state and telephone number of every franchisee of our Canadian affiliate who has had an outlet terminated, cancelled, not renewed, transferred or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the fiscal year 2024, or who have not communicated with the franchisor within 10 weeks of the issuance date of this Disclosure Document.

If you purchase this franchise, your contact information may be disclosed to other prospective franchisees, including after you leave the franchise system.

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

Typically, current and former franchisees will only be restricted from speaking about the terms of any settlement they reached with us.

ITEM 21
FINANCIAL STATEMENTS

The franchisor has not been in business for three years.

Our fiscal year end is December 31. Attached to this Disclosure Document as Exhibit H are audited financial statements for the period ending December 31, 2024. Also attached are unaudited interim financials, dated, March 31, 2025

ITEM 22
CONTRACTS

The following contracts are attached to this Disclosure Document:

Exhibit A State Addenda to the Disclosure Document
Exhibit B List of State Agencies/Agents for Service of Process
Exhibit C Franchise Agreement
- Schedule 1 - Location
- Schedule 2 – Personal Guarantee and Postponement
- Schedule 3 – General Security Agreement
- Schedule 4 – Sublease
- Schedule 5 – Certificate of Corporate Franchisee
- Schedule 6 – Pre-Authorized Debit Agreement
- Schedule 7 – Agreement of Purchase And Sale
- Schedule 8 – Franchisor Rider
- Schedule 9 – Premises Development Supervision Agreement
- Schedule 10 State Amendments to the Franchise Agreement

Exhibit D Location Hold Agreement
Exhibit E Form of Release
Exhibit F Table of Contents of Osmow's Restaurant Training and Operations Manual
Exhibit G List of Franchisees
Exhibit H Financial Statements
Exhibit I Franchise Disclosure Confirmation
Exhibit J Effective Dates Page & Receipts

You are required to sign the Franchise Disclosure Confirmation, attached to this Disclosure Document as Exhibit I, immediately before signing the Franchise Agreement.

ITEM 23
RECEIPTS

Attached to this Disclosure Document are two Receipt pages (Exhibit J). They are duplicates that evidence your receipt of this Disclosure Document – the first is to be retained by you, the other by us.

EXHIBIT A
STATE ADDENDA TO THE DISCLOSURE DOCUMENT

See attached.

CALIFORNIA

OUR WEBSITE, WWW.US.OSMOWS.COM, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT www.corp.ca.gov.

Item 17 is amended to add the following language:

"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, 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.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 and following).

The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement requires binding arbitration. The arbitration will occur in Wilmington, Delaware with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.4 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires application of the laws of the State of Delaware. This may not be enforceable in the State of California.

Section 31125 of the Franchise Investment Law requires us to give to you a Disclosure Document approved by the Commissioner of Corporations before we ask you to consider a material modification of your franchise agreement.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 3100 Through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

HAWAII

The following language is added to the Cover Page:

"THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE Disclosure Document, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS Disclosure Document CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE."

The following list reflects the status of the franchise registrations of the Franchisor in the states which require registration:

A. This proposed registration application is effective in the following states.

None

B. The proposed registration application is or will shortly be on file in the following states.

[Insert]

C. States which have refused, by order or otherwise, to register these franchises are.

None

D. States which have revoked or suspended the right to offer franchises are.

None

E. States which the proposed registration of these franchises has been withdrawn are:

None

ILLINOIS

This addendum amends the Osmow's FZ Corp. Disclosure Document as follows: Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your rights upon termination and non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

We can change our standards and specifications for Osmow's restaurants WITHOUT NOTICE TO YOU, and you will be responsible for the costs to make the required changes to your restaurant.

ACKNOWLEDGMENT AND AGREEMENT:

You acknowledge that you have received and reviewed the foregoing State Law Addendum to the Disclosure Document and Franchise Agreement. Each provision of the foregoing State Law Addendum will be effective only to the extent that the jurisdictional requirements of the Illinois law applicable to the provision are met independent of the foregoing State Law Addendum. The foregoing State Law Addendum will have no force or effect if such jurisdictional requirements are not met. The foregoing State Law Addendum supersedes any inconsistent provision in the Disclosure Document and the Franchise Agreement, but only to the extent necessary to make the Disclosure Document and the Franchise Agreement consistent with the then valid requirements of an applicable and enforceable state law and only for so long as such state law remains in effect.

This Acknowledgment and Agreement may be signed in counterparts and delivered via electronic means.

ACKNOWLEDGED AND AGREED as of _____, 20__.

Osmow's FZ CORP. **FRANCHISEE:**

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

MARYLAND

This addendum amends the Osmow's FZ Corp. Disclosure Document as follows: Item 17 is amended to add the following language:

Any limitation of claims shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law (the "**Law**"). Claims under the Law must be brought within 3 years after the grant of the franchise to you.

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Law.

Exhibit I is amended to add the following language:

These representations 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.

MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE AT THE TIME OF EXPIRATION OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSCRIPTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME ARE SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

i. THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

ii. THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

iii. THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

iv. THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY

DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

MINNESOTA

The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Miss. Stat. Section 80.01 et seq., and the Rules and Regulations promulgated under it (collectively the "**Minnesota Franchise Act**"). This addendum amends the Osmow's FZ Corp. Disclosure Document as follows:

1. The Minnesota Department of Commerce requires that Osmow's FZ Corp. indemnify Minnesota licensees against liability to third parties resulting from claims by third parties that the Franchisee's use of the Names and Marks infringes trademark rights of the third party. Item 13 states that Osmow's does not indemnify against the consequences of Franchisee's use of the Names and Marks.

Item 13 is amended to add the following language:

For Minnesota franchisees, if the indemnification provision concerning your use of the Names and Marks is inconsistent with Minnesota Department of Commerce requirements, it shall be superseded by these requirements and shall have no force or effect.

2. Item 17 is amended to add the following language:

Section 80C.14, Subd. 4. of the Minnesota Franchise Act requires, except in certain specified cases, that a Minnesota franchisee be given written notice of a franchisor's intention not to renew 180 days prior to expiration of the franchise and that the franchisee be given sufficient opportunity to operate the franchise in order to enable the franchisee the opportunity to recover the fair market value of the franchise as a going concern. These Minnesota Franchise Act requirements are in addition to and may supersede the renewal provisions described in Item 17(b).

Section 80C.14, Subd. 3. of the Minnesota Franchise Act requires, except in certain specified cases, that a Minnesota franchisee be given 90 days notice of termination (with 60 days to cure). These Minnesota Franchise Act requirements are in addition to and may supersede the renewal provisions described in Item 17(e)-(h).

If you are required in the Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, for Minnesota franchisees such release shall exclude claims arising under the Minnesota Franchise Act, and such acknowledgments shall be void with respect to claims under the Franchise Act. The releases referred to in Item 17(c) and (m) are subject to the preceding statement.

For Minnesota franchisees, to the extent the Franchise Agreement requires it to be governed by a state's law, other than the State of Minnesota or provides for arbitration or mediation, these provisions shall not in any way abrogate or reduce any rights of the franchisee as provided for in the Minnesota Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota. These requirements are in addition to and may supersede the provisions described in Item 17(u), (v) and (w).

Section 80C17, Subd.5. of the Minnesota Franchise Act states that no civil action may be commenced for violation of the Minnesota Franchise Act more than 3 years after the cause of action accrues. Section 21(26)(f) of the Franchise Agreement contains certain time limits on commencing actions. For Minnesota franchisees, to the extent that these limitations are inconsistent with those under the Minnesota Franchise Act, the provisions of the Franchise Agreement are superseded by the Minnesota Franchise Act's requirements and shall have no force or effect.

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 SERVICES OR 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 THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND

THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. 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 to be 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 Rev. March 17, 2021 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 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.

4. 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.

5. 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.

6. Franchise Questionnaires and Acknowledgments – No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts – Any sale made musts be in compliance with §683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. §680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship as follows:

RHODE ISLAND

This addendum amends and revises the Osmow's FZ Corp. Disclosure Document

1. Item 3 of the Disclosure Document is amended by adding the following language:

No person identified in Item 2:

a) Is subject to any currently effective order of the securities and exchange commission or the securities administrator of any state denying registration to or revoking or suspending the registration of such person as a securities broker or dealer or investment advisor, or is subject to any currently effective order of any national securities association.

b) Is subject to any currently effective injunction or restrictive order relating to business activity as a result of an action brought by any public agency or department, including, without limitation, actions affecting a license as a real estate broker or salesman.

VIRGINIA

THIS DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THIS Disclosure Document AND ALL CONTRACTS AND AGREEMENTS SHOULD BE READ CAREFULLY IN THEIR ENTIRETY FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ALTHOUGH THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE VIRGINIA RETAIL FRANCHISING ACT AS AMENDED, REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING OF THE VIRGINIA STATE CORPORATION COMMISSION OR A FINDING BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, ACCURATE OR NOT MISLEADING.

IF THIS DISCLOSURE DOCUMENT IS NOT DELIVERED ON TIME, OR IF IT CONTAINS A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE VIRGINIA DIVISION OF SECURITIES AND RETAIL FRANCHISING, 1300 EAST MAIN STREET, RICHMOND, VIRGINIA 23219.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "**reasonable cause**," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The name and address of the Franchisor's agent in Virginia authorized to receive service of process is:

Clerk of the State Corporation Commission 1300 E. Main Street, 9th Floor

Richmond, Virginia 23219

WASHINGTON

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification**. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee

of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum. Dated this _____ day of _____ 20_____.

_____	_____
Signature of Franchisor Representative	Signature of Franchisee Representative
_____	_____
Title of Franchisor Representative	Title of Franchisee Representative

Instructions for franchisors:

- **This addendum should also be used as an addendum to any development agreement.**

- **The Division does not object to a franchisor using a single addendum that modifies multiple agreements and documents (i.e., an addendum titled: "Washington Addendum to the Franchise Disclosure Document, the Franchise Agreement, the Development Agreement, and All Related Agreements").**

EXHIBIT B

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, address and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws. Also listed are our agents for service of process.

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
California	Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 (866) 275-2677	
Connecticut	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	[Not Applicable]
Delaware	[Not Applicable]	Corporate Creations Network Inc. 3411 Silverside Road Tatnall Building #104 Wilmington, New Castle 19810 (302) 351-3367
Florida	Dept of Agriculture & Consumer Services Division of Consumer Services 2005 Apalachee Pkwy. Tallahassee, FL 32399-6500 (850) 410-3800	[Not Applicable]
Hawaii	Business Registration Division Department of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	
Illinois	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Indiana Secretary of State Securities Division, E-111 302 West Washington Street, Room E-111	

	Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 (410) 576-6360	
Michigan	Consumer Protection Division, Antitrust and Franchising Unit Michigan Department of Attorney General G. Mennen Williams Building, 1st Floor 525 W. Ottawa Street Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Commerce Department 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	
Nebraska	Staff Attorney Department of Banking and Finance Commerce Court 1230 "**O**" Street, Suite 400 Lincoln, NE 68508-1402 (402) 471-3445	[Not Applicable]
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st FL New York, NY 10005 (212) 416-8222 (Phone)	
North Dakota	North Dakota Securities Department Fifth Floor 600 East Boulevard Avenue State Capitol, Fifth Floor, Department 414 Bismarck, ND 58505 (701) 328-4712	
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	[Not Applicable]

Rhode Island	Department of Business Regulation in the Service of Process, Disclosure Document and State Administrators Sections Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 (401) 222-3048	
South Dakota	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre SD 57501 (605) 773-3563	
Texas	Secretary of State Statutory Document Section 1019 Brazos Austin, Texas 78701 (512) 475-0775	[Not Applicable]
Utah	Division of Consumer Protection Utah Department of Commerce 160 East 300 South Salt Lake City, UT 84111 (801) 530-6601	[Not Applicable]
Virginia	State Corporation Commission Division of Securities and Retail Franchising Ninth Floor 1300 East Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501 (360) 902-8760	Department of Financial Institutions Securities Division PO BOX 41200 Olympia, WA 98504-1200
Wisconsin	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor Madison, WI 53703 (608) 261-9555	
Federal Trade Commission	Bureau of Consumer Protection 600 Pennsylvania Avenue, NW Washington, D.C. 20580 (877)-382-4357	[Not Applicable]

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states list

EXHIBIT C

FRANCHISE AGREEMENT

See attached.

FRANCHISE AGREEMENT

Between

Osmow's FZ CORP.

and

FRANCHISEE

and

GUARANTOR and GUARANTOR

(collectively, hereinafter the "Guarantor")

Location:

[City, State]

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FRANCHISE AGREEMENT

This **FRANCHISE AGREEMENT**, effective _____, 202__, is among **Osmow's FZ CORP**., a corporation incorporated under the laws of the State of Delaware, (the "**Franchisor**"), **[FRANCHISEE]**, a [corporation/limited liability company/limited partnership] [incorporated/formed] under the laws of the State of _____, (the "**Franchisee**"), and **[GUARANTOR]** and **[GUARANTOR]**, both of [City, State], (collectively "**Guarantor**").

The parties, intending to be legally bound, agree as follows:

ARTICLE 1
BACKGROUND

1.1 System

As the result of a significant expenditure of time, skill, effort and money, the Franchisor has developed and owns a unique and proprietary System (as defined below) relating to the establishment, development and operation of a restaurant specializing in the sale (on-premises and by take-out, delivery and catering services) of a variety of Mediterranean and Middle Eastern cuisine and other quick service food and beverage products which must be operated in accordance with uniform equipment, menu boards, systems, methods, procedures, recipes, know-how and designs, and under the proprietary trade-marks licensed by the Franchisor.

1.2 Marks

In connection with its business of licensing and regulating Osmow's franchisees, the Franchisor licenses the right from its affiliate to use and control the use of certain proprietary interests, trade-marks, and trade names, including the word "Osmow's", to identify to the public the source of goods and services marketed under those trade-marks and to represent to the public high and uniform standards of quality and service. The Franchisor will grant the Franchisee a license, as set out in this Agreement, to use the Marks (as defined below).

1.3 Distinguishing Characteristics

The distinguishing characteristics of the System include, without limitation, unique methods, technical assistance and training in the operation, management and promotion of the Franchised Business (as defined below), sales and marketing systems, inventory control methods, financial management tools, specialized reporting, bookkeeping and accounting methods and advertising and promotional programs, all of which may be changed, improved and further developed by the Franchisor or its affiliate.

1.4 Desire to Obtain License

The Franchisee desires to obtain the right and license to use the Marks and System in connection with the operation of an Osmow's franchise in accordance with the terms of this Agreement and the Manual (as defined below) and at the Location (as defined below) specified in this Agreement. The Franchisee represents that it does not wish to obtain such right and license for speculative or investment purposes and has no present intention to sell or transfer or attempt to sell or transfer all

or any part of the Franchised Business. The Franchisee acknowledges that it desires to choose an OSMOW's franchise due to the goodwill and uniqueness associated with the Franchisor's proprietary information, Marks, recipes, System etc. in connection with the operation of an OSMOW's franchise. The Franchisee understands that the Franchisor is trusting the Franchisee with confidential information, and it chooses to be trusted with it.

1.5 Franchisee's Independent Investigation

The Franchisee expressly acknowledges that it is entering into this Agreement after having made an independent investigation of the Franchisor's operations and the Franchised Business and is not relying upon any representation as to the profits and/or sales volumes that the Franchisee might be expected to realize, nor upon any other statement, promise or representation whatsoever which is not contained in this Agreement or in the Osmow's franchise disclosure document. The Franchisee has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by a lawyer or professional advisor of his, her or its own choosing.

1.6 Need for Strict Conformity

The Franchisee understands and acknowledges the importance of the Franchisor's uniformly high standards of quality and service and the necessity of operating the Franchised Business in strict conformity with the Franchisor's standards and specifications.

1.7 Reliance by Franchisor

The Franchisor has agreed to enter into this Agreement with the Franchisee on the basis of the information provided to the Franchisor by the Franchisee, and in reliance upon the Franchisee's representation that he, she or it will fully and faithfully honor and perform all of the obligations of the Franchisee contained in this Agreement for the entire term of this Agreement.

ARTICLE 2
DEFINITIONS

In this Agreement, the following words will have the meaning set out beside them.

(a) "Agreement" means this agreement and any amendments made to it by the parties in accordance with the terms of this agreement.

(b) "Designated Operator" has the meaning set out in Section 8.10.

(c) "Dollars" means United States dollars.

(d) "Franchise Fee" has the meaning set out in Section 6.1.

(e) "Franchised Business" means the Osmow's franchise operation of the Franchisee carried on by the Franchisee at the Location pursuant to this Agreement.

(f) "Franchisee" means the Franchisee and any successor individual(s), partnership(s), limited liability company(s) or corporation(s) which may result from a reorganization, merger,

conversion or continuance of the Franchisee and any assignee to which an approved assignment of this Agreement is made. If the Franchisee is a corporation, limited liability company or partnership, then the guarantors of this Agreement listed in the recital of this Agreement are the shareholders, members or partners listed in Schedule 5 and own all of the legal and beneficial interest of all of such corporation's shares, limited liability company's membership interests or partnership's partnership interests. No shares, membership interests or partnership interests are held pursuant to any trust or other arrangement for the benefit of any person not shown in Schedule 5.

(g) "Gross Sales" for any period means the entire amount of sales whether for cash, check, credit card, debit card, gift card (or any replacement or additional method of payment), exchange or otherwise, in respect of and/or attributable to the sale of goods or provision of services in connection with the operation of the Franchised Business, whether or not any such sales amount or portion thereof is paid to and/or received by the Franchisee or a third party (including but not limited to third-party delivery service providers); and all other receipts whatsoever from all business conducted upon or originating from the Location, including telephone order sales, facsimile order sales, Internet order sales, all proceeds from catering activities, any business interruption insurance, the full amount of all income received directly or indirectly from any automatic teller (bank) machines, telephones, or any vending machine or coin operated machine at the Location and all other revenue, income or proceeds of any kind. The performance of services is considered a "sale" when services have been completed or goods provided so as to entitle the Franchisee to payment for those services or goods, whether or not payment occurs. Gross Sales will include the amount of all sales assumed to have been lost by the interruption of business, to be determined upon the basis upon which proceeds of any business interruption insurance are paid or are payable to the Franchisee. Gross Sales will not include:

(i) any government tax, provided the amount of the tax is added to the selling price, the amount is expressly charged to the customer, a specific record is made at the time of each sale of the amount of the tax, and the tax is paid over to the appropriate taxing authority;

(ii) the amount of any refund or credit given in respect of any services or any products returned or exchanged by a customer or client for which a refund of the whole or a part of the purchase price is made or for which a credit is given, provided that the selling price of such services or goods was originally included in calculating Gross Sales; and

(iii) No deduction will be allowed for uncollected or uncollectible accounts, credit card or other charges, or in respect of any other matter.

(h) "Head Landlord" has the meaning set out in Section 5.2(c).

(i) "Incapacity" means that the person to whom such term is applied is unable to perform his normal duties within the Franchised Business for 30 days in any 90 day period during the term of this Agreement.

(j) "Interest Rate" means the lesser of 2% per month (24% annually) or the highest interest rate permitted by applicable law.

(k) "Lease" means the lease entered into with the Head Landlord for the Location by the Franchisor or its affiliate, or entered into by the Franchisee where permitted or required by the Franchisor, as the case may be, which is more particularly described in Section 5.2.

(l) "Location" means the retail business premises described in Schedule 1 or such other premises at which the Franchised Business is located with the consent of the Franchisor, but for greater certainty, includes only one location at any time.

(m) "Manual" means any rules of operation, operations manuals, policy manuals, pictures, video and audio recordings, software, pamphlets, memoranda, bulletins, letters, directives, instructions and other materials prepared by or on behalf of the Franchisor (whether in written, machine readable or any other form, including electronic mail) written or produced by or on behalf of the Franchisor for use by franchisees generally or the Franchisee in particular setting out information, advice, standards, requirements, operating procedures, instructions or policies relating to the operation of an Osmow's franchise, as such materials may be added to, deleted or otherwise modified by the Franchisor from time to time, including, without limitation, the Osmow's Restaurant Training and Operations Manual.

(n) "Marks" means all trade-marks, trade names, design marks and other commercial symbols that the Franchisor may designate from time to time for use in the System and includes the trade-marks Osmow's, OSMOW S & Design, WE'RE MAKIN WHAT YOU'RE CRAVIN, ON THE ROCKS, and ON THE STIX.1

(o) "Royalty Fee" has the meaning set out in Section 6.2.

(p) "Sublease" has the meaning set out in Section 5.2.

(q) "System" means the method formulated and developed by the Franchisor from time to time for the establishment and ongoing operation of Osmow's franchises under the Marks and includes, without limitation, the following:

(i) the distinguishing and unique characteristic relating to the basic design, construction, appearance and color scheme of the interior and exterior of the outlets, and the substantially standardized uniform for use by the Franchisee's employees and contract drivers all of which are identified with the Marks;

(ii) the menu and proprietary recipes used in the preparation of foods sold by the Franchisee; and

(iii) the rules of operation, training materials, computer software programs, information bulletins, advertising and bookkeeping services and systems, and advertising campaigns of the Franchisor (whether in the Manual or otherwise).

ARTICLE 3
GRANT OF FRANCHISE

3.1 Grant of Franchise

Subject to all the terms and conditions of this Agreement, the Franchisor grants to the Franchisee, and the Franchisee accepts, the non-exclusive right and license to use the Marks and the System in the operation by the Franchisee of one Franchised Business.

3.2 Conditions

The Franchisee agrees to operate its Osmow's franchise using the System at the designated Location in strict compliance with the terms and conditions of this Agreement for the entire term of this Agreement. The rights and privileges granted to the Franchisee by the Franchisor under this Agreement are applicable only to the single location designated as the Location, are personal in nature, and may not be used elsewhere or at any other location by the Franchisee.

3.3 Personal License

The Franchisee will not have the right to franchise, subfranchise, license or sublicense its rights under this Agreement. The Franchisee will not have the right to pledge, assign or transfer this Agreement or its rights under this Agreement, except as specifically provided for in this Agreement.

3.4 Rights Reserved by Franchisor

The rights granted to the Franchisee are site specific, for use only at the Location. Notwithstanding any other provision in this Agreement, the Franchisor (on behalf of itself and its affiliates) reserves the following rights, in its absolute discretion:

(a) to operate and to grant others the right to operate Osmow's restaurants at any location or any other business using the System and Marks, including providing catering and delivery services;

(b) to acquire and convert to Osmow's restaurants any business, whether independent or franchised;

(c) to operate and to grant others the right to operate, at any location (including in close proximity to the Location), restaurants under trade names and trade-marks other than the Marks if such restaurants are directly or indirectly acquired by the Franchisor or its affiliates or if the Franchisor or its affiliates have acquired directly or indirectly the rights and obligations of the Franchisor of such restaurants and/or to require all or any part of the System (including the Franchised Business at the Location) to be re-branded under such alternative marks or names;

(d) to use and license the use at any location (including in close proximity to the Location), alternative proprietary marks or methods in connection with the operation of businesses under names which are not the same as or confusingly similar to the Marks, which businesses may be the same as, or similar to, or different from the Franchised Business and/or to require all or any

part of the System (including the Franchisee's Business at the Location) to be re-branded under such alternative marks or names;

(e) to distribute or grant others the right to distribute products or services identified by the Osmow's Marks through not only Osmow's restaurants, but through any other distribution method which may from time to time be established by the Franchisor, including but not limited to food trucks, grocery and retail distribution, wholesale distribution, mail order and electronic (Internet) mail;

(f) to engage in any other activities at any location not expressly prohibited in this Agreement.

3.5 Delivery and Catering Services

The Franchisee may only offer delivery and catering services for certain menu items, as determined by the Franchisor. Delivery and catering services provided by the Franchisee may only originate from its Osmow's franchise at the designated Location. The Franchisee must at all times provide "adequate delivery and catering services" which will mean that these services must be provided in accordance with the Franchisor's standards and specifications for delivery and catering as may be described in the Manual from time to time. These standards and specifications may include but are not limited to addressing customer satisfaction as to timeliness, ability to deliver food at specified temperatures, participation in centralized food ordering, delivery and/or catering programs operated by the Franchisor, its affiliate, or any authorized third-party supplier, participation in online food ordering and/or online delivery platforms, potential and actual sales volumes achieved through delivery and catering and the physical, geographic or demographic characteristics of the area in which the delivery and catering services are being provided. Upon 30 days' written notice to the Franchisee, the Franchisor may, in its sole discretion, limit the customers and locations to which the Franchisee is entitled to provide delivery and catering services and/or otherwise limit the delivery and catering services provided by the Franchisee to a defined area surrounding the designated Location. With respect to participation in centralized food ordering, delivery and/or catering programs operated by the Franchisor, its affiliate, or any authorized third-party supplier, or online food ordering and/or online delivery platforms (collectively, "Delivery Programs"), the Franchisor may require the Franchisee to enter into contracts with designated suppliers, which contracts may include specified or mandatory provisions, and obligations to purchase and install any applicable equipment, software systems, or other items to be used in connection with participating in Delivery Programs.

ARTICLE 4
TERM

4.1 Commencement and Termination Date

This Agreement will commence on the effective date written on the first page of this Agreement and will terminate on the 10th anniversary of the date the Franchisee commences operation of the Franchised Business or the expiration date or termination of the Sublease or Lease, whichever is earlier, unless sooner terminated by the Franchisor in accordance with the terms of this Agreement.

4.2 Renewal

Subject to Section 4.3, the Franchisee shall have one option to renew this Agreement for a renewal term equal to the lesser of:

(a) the unexpired portion of the term of the Lease at the expiry of the term of this Agreement, plus the term of all renewals which may be, and subsequently are, exercised under the Lease, but less one day in the event the Franchisee has signed a Sublease for the Location; and

(b) 5 years.

4.3 Conditions for Renewal

The within option to renew shall be subject to the following terms and conditions:

(a) The Franchisee will give to the Franchisor written notice of its election to renew this Agreement not less than 12 months and not more than 18 months prior to the end of the initial term of this Agreement.

(b) At least 6 months prior to the expiration of the initial term of this Agreement, the Franchisor will review all aspects of the Franchised Business and give notice of all required capital expenditures, modifications, renovations, alterations, refurbishment, remodelling and redecoration to the Location and to the Franchised Business necessary to comply with the Franchisor's then-current standards and Image (collectively, the "Updates") provided however, such Updates requested by the Franchisor shall be reasonable in terms of the associated costs and expenses required to complete the Updates having regard to the length of the renewal term. If the Franchisee elects to renew this Agreement, the Franchisee will complete, at the Franchisee's own expense and to the Franchisor's satisfaction, all required modifications, renovations, alterations, refurbishment, remodelling and redecoration as well as adopt and implement any new methods, programs, modifications, systems and techniques required by the Franchisor's notice no later than 2 months prior to expiration of the initial term of this Agreement.

(c) The Franchisee will not be in default of any provision of this Agreement, the Lease, or any other agreement between the Franchisee and the Franchisor or any affiliate of the Franchisor and will have substantially complied with all of the terms and conditions of such agreements throughout the term of such agreements.

(d) The Franchisee (and, if the Franchisee is a corporation, its shareholders, directors and officers and if the Franchisee is a limited liability company, its members, managers and officers and, if the Franchisee is a partnership, its partners and officers) will have satisfied all monetary obligations owed by the Franchisee to the Franchisor on a timely basis throughout the term of this Agreement.

(e) At the option of the Franchisor, the Franchisee will execute the Franchisor's then-current form of franchise agreement and related documentation, including personal guarantees, which will supersede in all respects this Agreement, and which may differ materially from the terms of this Agreement, including a different fee structure which may include, but not be limited to, higher amounts of Royalty Fees and Advertising Fees.

(f) The Franchisee (and, if the Franchisee is a corporation, its shareholders, directors and officers and if the Franchisee is a limited liability company, its members, managers and officers and, if the Franchisee is a partnership its partners and officers) will deliver to the Franchisor a complete release of the Franchisor, its directors, officers, employees and shareholders, its affiliates and subsidiaries and the directors, officers, employees and shareholders thereof, from all obligations under this Agreement of any such persons, in form satisfactory to counsel for the Franchisor (such release not to include a release of any franchise claims that cannot be waived under applicable law).

(g) The Franchisee will not be in default of any provision of the Lease for the Location and has the right to use and remain in possession of the Location to the end of the renewal term.

(h) The Franchisee will pay a renewal fee equal to 50% of the then-current Franchise Fee charged by the Franchisor to new Osmow's franchisees plus all applicable taxes. In addition, the Franchisee shall reimburse the Franchisor for all reasonable legal fees and other costs and expenses incurred by it as a result of the Franchisee's exercise of the renewal option herein provided for. The Franchisee shall have no further option to renew the term of this Agreement after the expiry of its one option to renew.

In the event that any of the above conditions for renewal have not been met, the Franchisor will have no obligation to renew this Agreement.

ARTICLE 5
DEVELOPMENT AND OPENING OF THE FRANCHISED BUSINESS

5.1 Location Selection

The Franchisor will assist the Franchisee in locating a Location suitable for the operation of the Franchised Business. The Location for the Franchise Business is set out in Schedule 1 hereto. If, at the time of execution of this Agreement, the Location has not been selected by the Franchisee and approved by the Franchisor, then the Franchisee will select and propose in writing to the Franchisor (together with all documentation necessary for the Franchisor to consider the suitability of the proposed location) for approval of a specific site for the Location. The Franchisor may approve or reject any proposed location in its sole discretion. The Franchisee acknowledges that the Franchisor's approval of a Location does not constitute a recommendation, endorsement or guarantee by the Franchisor of the suitability of the Location or Lease and the Franchisee should take all steps necessary to ascertain whether such Location or Lease are acceptable to the Franchisee.

In the case of a Franchised Business for which no Location has been determined as of the effective date of this Agreement then, (a) if the Location is not identified and agreed to by the Franchisor and the Franchisee within 12 months following the execution of this Agreement, both the Franchisee and the Franchisor shall be entitled to terminate this Agreement by 10 days' written notice to the Franchisor, and provided the Franchisee signs the Franchisor's form of release, the Franchisor shall refund the Franchise Fee, without interest, less $5,000 and any additional amounts for related costs, expenses or fees reasonably incurred by the Franchisor during such time, (b) if a lease or sublease for the Location, that was approved by the Franchisor, is not fully executed within

24 months following the execution of this Agreement, the Franchisor shall be entitled to terminate this Agreement by 10 days' written notice to the Franchisee and the Franchise Fee shall not be refunded.

5.2 Lease of Location

The Franchisor and the Franchisee agree that:

(a) where the Location is leased by the Franchisor or its affiliate, the Franchisee shall execute a sublease on such terms and conditions as are contained in the Franchisor's standard form of sublease, a copy of which is attached hereto as Schedule 4 (the "Sublease"). Upon execution of the Sublease, the Franchisee shall reimburse the Franchisor or its affiliate, as the case may be, for any security deposit, rent deposit, advance rent, and/or any such similar amount(s) paid by such entity under the Lease. In addition, in the event that the Franchisee is a corporation, limited liability company or partnership, the obligations of the Guarantors to the Franchisee under the Personal Guarantee and Postponement annexed hereto as Schedule 2 shall extend to indemnifying and saving the Franchisor or the affiliate of the Franchisor, as the case may be, harmless against any losses, damages or expenses arising from the non-payment of any amounts to be paid and/or the non-performance or non- observance of any terms and conditions to be performed or observed by the Franchisee under the Sublease. In the event that any officer, director, manager, shareholder, member or partner of the Franchisee does not execute the instruments required to be executed by them pursuant to this section as and when required, the Franchisor shall be entitled to terminate this Agreement forthwith, without prejudice to any other rights and remedies it may have;

(b) at the Franchisor's option and where the Location is owned directly or indirectly by the Franchisee or by an independent third party, the Franchisee shall include the Franchisor Rider a copy of which is attached hereto as Schedule 8 or in such other form as may be specified by the Franchisor from time to time. Franchisee or the Guarantors may be required to personally indemnify the Lease. Franchisee shall not terminate or in any way alter or amend the Lease, at any time, without the Franchisor's prior written approval;

(c) acceptance of the terms and conditions by the Franchisor or an affiliate of the Franchisor of the Lease between the Franchisor or such affiliate, as tenant, and such third party, as landlord (the "Head Landlord"), shall be deemed to be acceptance of the terms and conditions of the Lease by the Franchisee and, in that regard, the Franchisee shall, if required, execute the Lease and shall agree therein to be bound by the terms and conditions contained in the Lease; and

(d) in respect of the Sublease, the Franchisor shall not be able to grant an interest in the Location unless and until the Head Landlord under the Lease consents to the Sublease, and the Franchisee has complied with all requirements of the said consent. The Franchisor agrees to use all reasonable efforts to obtain the consent of such Head Landlord as soon as possible following execution of the Sublease. The Franchisee agrees that it shall promptly do or cause to be done all things and acts, to execute or cause to be executed all documents and to provide all information as may be required by the Head Landlord in order to obtain such consent.

5.3 Construction of Premises

The Franchisor, in its sole discretion, may require the Franchisee to be responsible for the development, construction, fixturing and equipping of the Restaurant in accordance with the System standard layout plans, specifications and drawings and the Franchisee shall enter into the Franchisor's form of Premises Development Supervision Agreement, a copy of which is attached hereto as Schedule 10. The Franchisor may inspect the construction and renovation of the Restaurant in accordance with the terms of the Franchisor's form of Premises Development Supervision Agreement.

If the Franchisor, in its sole discretion, undertakes, on an independent consultant basis, the development, construction, fixturing and equipping of the Restaurant in accordance with the System standard layout plans, specifications and drawings on the Franchisee's behalf, and the Franchisee shall enter into the Franchisor's form of Agreement of Purchase and Sale, a copy of which is annexed hereto as Schedule 7. The Franchisee will authorize and direct the Franchisor to undertake same and to do or cause to be done all or any part of such things as may be necessary to complete the Restaurant for the Franchisee's use in accordance with the terms of the Franchisor's form of Agreement of Purchase and Sale. The Franchisee acknowledges that person or persons may perform all or any part of such work as the Franchisor will nominate including persons affiliated with the Franchisor. Said work shall be performed on a basis deemed commercially reasonable by the Franchisor having regard to the estimate previously furnished to the Franchisee. The Franchisor shall not be obligated to solicit competitive bids for any work performed or merchandise supplied in connection with such development.

The Franchisor shall make an initial estimate of all amounts payable to design, construct, fixture and otherwise complete the Improvements to the Location, and to acquire the Restaurant as well as any other required items, all as required by the Franchisor, and this includes without limitation, all amounts payable for design and engineering plans, construction permits, insurance, capital, and other contributions payable to the Head Landlord or Landlord, as applicable, pursuant to the Lease, and all amounts charged back by the Head Landlord or Landlord, as applicable, pursuant to the Lease (if any) or otherwise (the "Expenses"). "Improvements" means all leasehold improvements, fixtures, signs and furnishings, alterations, additions and other items required by the Franchisor under the System and/or the Head Landlord or Landlord, as applicable, pursuant to the Lease, in order to design, construct, fixture, equip and otherwise complete the exterior and interior of the Restaurant. The Franchisee understands that the estimate is not necessarily the final amount payable by the Franchisee, and the Expenses required to be paid by the Franchisee may vary in a substantial manner from the initial estimate. Unless otherwise determined by the Franchisor, the Expenses shall be paid to the Franchisor and/or as it may direct.

In arriving at the estimate of Expenses, the Franchisor will have regard to its general experience and prices generally charged by suppliers and trades people in developing similar premises in the area where the Restaurant is situated provided that the Expenses shall in no way be construed as guarantee of the costs of such development. To the extent that the costs and expenses incurred by the Franchisor in respect of such development exceeds the Expenses or the amount or amounts previously paid by the Franchisee to the Franchisor under this Article, the Franchisee shall pay to the Franchisor an amount equal to such excess within seven (7) days of receipt from the Franchisor

of a statement setting forth in reasonable detail the costs and expenses for which such additional funds are required.

The Expenses, without limiting the generality of the foregoing, may include, but are not limited to, all or any part of the costs of the Franchisee's leasehold improvements, whether performed by the Head Landlord or by the Franchisor's contractor, on the Franchisee's behalf, of equipment and machinery, of signs and logos, of permits and fees and whatever else the Franchisor encounters in the way of costs in bringing about the completion of the work undertaken by the Franchisor pursuant to this Section. The Franchisee acknowledges that any guarantees or warranties with respect to the performance and function of any of the equipment selected for use in the Restaurant will be limited to those provided by the manufacturer or supplier of such equipment.

In addition to the Expenses, the Franchisor requires the Franchisee to pay the Franchisor a project management fee of $25,000, plus applicable taxes.

The Franchisor may, in its absolute discretion, upon written notice to the Franchisee, cancel and terminate this Agreement and any other related agreements entered into by the Franchisee with the Franchisor or its affiliate (collectively, the "Related Agreements") and retain the Franchise Fee as liquidated damages and not as a penalty, if:

(a) construction is not completed and the Restaurant is not open for business within 1 year of the effective date of this Agreement, exclusive of time lost by reason of events beyond the Franchisee's control; or

(b) the Franchisee fails to pay the construction related fees due to the Franchisor, or the installment payments of the purchase price, within the allotted timeframes as set out in the Premises Development Supervision Agreement or Section 5(a) of the Agreement of Purchase and Sale.

In the event of termination of this Agreement and the Related Agreements under this section, all such aforementioned agreements shall be of no further force or effect and the parties shall have no further liability to one another, except that the obligations of the Franchisee, which by their nature survive termination including without limitation, those obligations pursuant to Article 10, Sections 9.19, 9.20, 11.2, and 11.3 hereof, shall survive such termination.

5.4 Relocation

In the event that, prior to the termination or expiration of the license granted under this Agreement, the Lease for the Location should terminate without fault of the Franchisee, or if the Location should be destroyed, condemned or otherwise rendered unusable for the purposes of this Agreement and the Lease is terminated, or if the Location should be expropriated or the Franchisee otherwise loses possession of the Location without fault on its part, or, if in the judgment of the Franchisor, there is a change in the character or attributes of the Location that is sufficiently detrimental to warrant its relocation, the Franchisee will be entitled to relocate the Franchised Business to another Location acceptable to the Franchisor, provided that:

(a) the Franchisor has first given its written consent to such relocation and to the new location;

(b) at the Franchisor's option either (i) such new location is leased by the Franchisor or its affiliate and subleased by the Franchisee or (ii) the Franchisee enters into a lease for the new location that includes the Franchisor Rider;

(c) the new Location will be developed by the Franchisee in the same manner as described in this Agreement or as otherwise agreed by the Franchisor and the Franchisee, solely at the Franchisee's cost;

(d) the Franchisee is not in default of the terms of this Agreement or any other agreement between the Franchisor and the Franchisee;

(e) the Franchisee pays to the Franchisor its full costs (including reasonable legal fees) of such relocation; and

(f) if the Franchisor or its affiliate subleases the Location to the Franchisee, the Franchisor has obtained a release from the landlord of the former Location and such other persons as it may reasonably require.

5.5 Equipment, Fixtures, Accessories and Signs

The Franchisee agrees to use in the operation of the Franchised Business only those brands and models of equipment that the Franchisor has approved for Osmow's franchise locations as meeting its specifications and standards for design, function, performance, serviceability and warranty. The Franchisee further agrees to place or display at the Location (interior and exterior) only such signs, emblems, lettering, logos and display materials, and agrees to use in the operation of the Franchised Business only such supplies that are from time to time approved in writing by the Franchisor. The Franchisee will not replace any of the equipment at the Location or add to such equipment, unless such replacement or additional equipment complies with the Franchisor's standards and specifications and is purchased from the Franchisor or its designated suppliers, if applicable. The Franchisee agrees to enter into contracts for equipment maintenance with the Franchisor's designated equipment maintenance service providers, if required by the Franchisor.

5.6 Purchase of Franchisor-Owned Location

If the Franchisee purchases a location owned or operated by the Franchisor or any affiliate of the Franchisor, then:

(a) the Franchisee agrees to complete the transfer of the assets associated with the location within 15 days from the successful completion of the Franchisee's and Designated Operator's training pursuant to Subsection 9.1(b). Failure to successfully complete the training program and to transfer the assets by such date will constitute a default of this Agreement; and

(b) the Franchisee understands and acknowledges that in granting a franchise for a site formerly operated by the Franchisor or any affiliate of the Franchisor, the Franchisor does not in any way endorse, warrant or guarantee either directly or indirectly the suitability of such site or the success of the franchised business to be operated by the Franchisee at such site.

5.7 Opening for Business

The Franchisee agrees to commence the Franchised Business: in the case of a pre-existing Location (whether Franchisor-owned or owned by a third party), immediately upon the closing of the transaction of purchase and sale; or, in the case of a new Location, on or before the scheduled opening date. The Franchisor may agree to reasonable extensions of the opening date, provided that any delay in opening is not the result of any act or omission by the Franchisee, and provided that any request for an extension of the opening date will require payment of an extension fee.

This Agreement may be terminated at the Franchisor's option for failure by the Franchisee to commence its business as provided by this section, and the Franchisor may retain the Franchise Fee.

ARTICLE 6
FEES AND PAYMENTS

6.1 Franchise Fee

The Franchisee will pay to the Franchisor a non-recurring and generally non-refundable fee of $35,000.00 together with all applicable taxes (the "Franchise Fee"). The Franchise Fee is payable in full at the time of signing this Agreement. The Franchisee acknowledges that the grant of the license to operate the Franchised Business constitutes the consideration for the payment of this Franchise Fee and that the Franchise Fee is fully-earned by the Franchisor upon payment. The Franchise Fee will be partially refunded only if the Location is not identified and agreed to by the Franchisor and the Franchisee within 12 months following the execution of this Agreement and as more fully provided in Section 5.1.

6.2 Royalty Fee

In return for the ongoing rights and privileges granted to the Franchisee under this Agreement, the Franchisee agrees to pay a continuing non-refundable monthly royalty fee to the Franchisor equal to 5% of Gross Sales in each month, other than proceeds received as a result of business interruption insurance, in which case 11% of such proceeds will be remitted monthly to the Franchisor, in each case together with all applicable taxes.

6.3 Marketing and Promotion Fund

The Franchisor maintains the Osmow's advertising and promotion fund (the "Fund"). The Franchisee is required to pay to the Franchisor for contribution to the Fund, a continuing non-refundable monthly advertising fee equal to 3% of the Franchisee's Gross Sales, together with all applicable taxes (the "Advertising Fee"). The Franchisee's monthly contribution under this section may be increased or decreased to such greater or lesser amount from time to time in the Franchisor's sole discretion.

6.4 Initial Marketing Fee

The amount of $5,000 plus all applicable taxes is payable when the Franchisee signs the Franchise Agreement. This amount must be used by the Franchisee on approved advertising activities which

promote its Restaurant in the first year of operating the Restaurant. The marketing department will assist the Franchisee in developing strategy and preparing the creatives for the promotional and/or marketing material that the Franchisee opts to use to target its local customer base. If the Franchisee's chosen marketing and/or promotional activities exceed $5,000, the Franchisee will be responsible for the difference. If the Franchisee does not use the full amount of the initial marketing fee paid in the first year of its operations, it will be forfeited and the Franchisee will not receive a refund for the difference.

6.5 Payment Due Date

All monthly payments required by this Agreement must be received by the Franchisor by computer transfer direct debit or such other manner as may be designated by the Franchisor on or before the 5th day of each calendar month in respect of the preceding calendar month. Any payment not actually received by the Franchisor on or before the due date will be considered overdue.

6.6 Automatic Payment Procedure

At the request of the Franchisor and at the Franchisee's expense, the Franchisee will promptly install, implement and at all times maintain and participate in such pre-authorized payment plans, computerized point of sale systems, credit verification systems and automatic banking systems as the Franchisor may from time to time require. The Franchisee will do all things necessary including, but not limited to, executing a pre-authorized debit agreement in the form attached as Schedule 6 to this Agreement, to remit payments to the Franchisor, affiliates of the Franchisor and suppliers of the Franchisee (or suppliers to the Franchisor of products or services of or for the direct or indirect benefit of the Franchisee) by automatic bank transfer or any similar process or procedure which may be initiated by the Franchisor without further action or authorization on the part of the Franchisee. In the event that, for any reason, the Franchisee has not reported its Gross Sales to the Franchisor in a timely fashion so as to permit the Franchisor to calculate the payments due to it pursuant to this Agreement, then the Franchisee authorizes the Franchisor to process a pre-authorized payment or automatic debit to the Franchisee's account in an amount equal to a reasonable estimate of the payments due to the Franchisor. Any adjustment for overpayment or underpayment will be made upon receipt by the Franchisor of the Franchisee's complete report for the applicable reporting period.

6.7 Taxes

The expression and calculation of the payments to be made by the Franchisee to the Franchisor pursuant to this Agreement or any other agreement between them is understood to be exclusive of state and local sales and use tax or any other similar tax whether in addition to, or in replacement of, any current tax or any other state or local tax. The Franchisee will pay to the Franchisor, at the same time and in addition to the payment required under this or any other agreement, all sales, use, excise, trade-mark, franchise, value added or similar taxes imposed on or collectible by the Franchisor on account of the Franchisor's collection of any of the fees or payments called for by this Agreement.

6.8 Weekly Reporting and Payments

The Franchisor reserves the right to require that all ongoing reporting and payments under this Article be made on a weekly basis.

ARTICLE 7
ROLE OF THE FRANCHISOR

7.1 Consideration for Fees

The Franchise Fee and ongoing Royalty Fees are paid for the non-exclusive license granted by Section 3.1, which includes the use of the Marks and the System and for certain services rendered by the Franchisor.

7.2 Provision of Services

The Franchisor will offer the Franchisee initial and continuing services as it deems necessary or advisable in furthering the Franchised Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of the Franchisor. Failure of the Franchisor to provide any particular service, either initial or continuing, will not excuse the Franchisee from paying the Franchise Fee or the ongoing Royalty Fee.

7.3 Pre-Opening Services

The current services offered by the Franchisor prior to the opening of the Franchised Business are:

(a) to assist the Franchisee in arranging sources of all food and beverage items, smallwares, equipment, paper goods, maintenance supplies and other items, and services;

(b) to provide to the Franchisee guidelines and specifications for the operation and management of the Franchised Business which guidelines and specifications must be adopted by the Franchisee;

(c) to provide an initial training program for the operation of the Franchised Business at a location to be designated by the Franchisor, as well as further on-premises training in the Franchisor's discretion, or at the Franchisor's discretion, acting reasonably, remotely or virtually by way of a web-based platform or online resource. The Franchisor will be responsible for the cost of tuition and materials only; and

(d) to loan to the Franchisee a single copy or provide access to an online format of the Manual as amended from time to time, which will include standards and specifications for procedures, recipes, equipment, supplies, management and operation of the Franchised Business.

7.4 Continuing Services

The current services offered by the Franchisor following the opening of the Franchised Business are:

(a) to provide general advisory assistance considered by it to be helpful to the Franchisee in the ongoing operation, advertising and promotion of the Franchised Business;

(b) to provide to the Franchisee updates, revisions and amendments, if any, to the Manual;

(c) to continue its efforts to establish and maintain high standards of quality, safety, customer satisfaction and service, and to that end to, in its own discretion: (i) conduct, as it considers advisable, inspections of the Franchised Business and its operations and evaluate the methods and the staff employed in the Franchised Business; and (ii) upon request and subject to the terms of this Agreement, provide information to the Franchisee on the Franchisor's standards and specifications; and

(d) to periodically coordinate and conduct mandatory seminars, conferences and certain other ongoing continuing education and training programs, meetings or seminars for its network of franchisees as it considers necessary in its discretion.

7.5 Appointment of Agent

The Franchisee acknowledges and agrees that the Franchisor may at any time and from time to time appoint a third party, which may be related or unrelated to the Franchisor, to perform any or all obligations of the Franchisor under this Agreement. In addition, the Franchisor may direct the Franchisee to make any payments due under this Agreement to any such third party. The Franchisee hereby consents to any such appointment or direction, without the requirement for any future notification or subsequent consent.

7.6 No Warranties Other Than in Writing

With respect to any goods and/or services provided by the Franchisor, its affiliates and/or any person or company referred or approved by the Franchisor or its affiliates, other than specific written warranties expressly provided in connection with such items, such items are provided **without any warranties**, express or implied, and the warranties of merchantability and fitness for a particular purpose are expressly disclaimed.

ARTICLE 8
QUALITY, UNIFORMITY AND STANDARDS

8.1 Condition and Appearance of the Location

The Franchisee agrees to maintain the condition, cleanliness, design and appearance of the Location consistent with the standards and requirements of the Franchisor (as specified in the Manual or otherwise) for the appearance of all Osmow's franchise locations (the "Image"). The Franchisee agrees to effect such refurbishing and renovating of the Location as the Franchisor requires from time to time including, without limitation, replacement of worn out or obsolete equipment, and the repair or redecoration of the interior and exterior of the Location. If at any time in the Franchisor's opinion the general state of repair, or the appearance or cleanliness of the Location, its equipment or decor do not meet the then applicable Image and standards, the Franchisor may so notify the Franchisee, specifying the action to be taken by the Franchisee to

correct such deficiency. If the Franchisee fails or refuses to initiate within 30 days after receipt of such notice and thereafter diligently continue a good faith and continuous effort to complete any such required cleaning, maintenance, replacement, redecorating or repair, the Franchisor will have the right, but will not be obligated, to enter upon the Location and effect such cleaning, maintenance, replacement, redecoration or repair of the Location or decor on behalf of the Franchisee and the Franchisee will pay the entire costs of such work plus fifteen percent (15%) on demand.

8.2 Authorized Products and Services

The Franchisee will sell, display and use (as applicable) at the Location only those types, brands and styles of products and services, and only such smallwares, equipment, fixtures, posters, signs, furnishings, paper goods, forms, menu boards, uniforms and all such products and services as may be specified by the Franchisor from time to time. All products and services to be sold from or displayed at the Location will be purchased from the Franchisor or its designated suppliers. The Franchisee will comply with the Franchisor's requirements concerning the introduction of any new or different products or service for sale by the Franchisee. The Franchisor will have the right without notice to enter the Location and remove from the Location, and to dispose of, any product or service which does not meet the Franchisor's standards and specifications or which was obtained from any source other than designated suppliers (the "Unauthorized Items"), without liability or accountability for such entry or disposal to the Franchisee of any nature or kind. The Franchisee agrees to immediately remove from the Location and to immediately dispose of any Unauthorized Items upon being instructed to do so by the Franchisor. In addition to any other remedies provided under this Agreement, the Franchisee shall pay to the Franchisor an administrative fee as set out in the Manual by the Franchisor and amended from time to time, which currently is set at $250 plus all applicable taxes for each full or partial calendar day that the Franchisee fails to fully comply with all of the provisions of this Section 8.2, such charges to commence immediately on the day which the Franchisor delivers to the Franchisee a written notice advising of such breach(es), and such charges shall end on the day that such breach(es) is fully cured.

8.3 Utility Contracts

The Franchisee agrees not to enter into any direct energy or similar contract relating to the supply of any utility, goods or services to the Location or the Franchised Business, which cannot be terminated at any time, without penalty or greater than 30 days' waiting period, at the option of the Franchisee, the Franchisor as sub-landlord, or a successor tenant at the Location.

8.4 Minimum Inventory

At all times, the Franchisee will maintain at the Location a balanced inventory of all products and services described in the Manual in sufficient quantity to satisfy its customers' needs, but in any event the inventory will at all times be equal to, or greater than, the minimum inventory level as set forth in the Manual or as otherwise directed by the Franchisor. In addition to this requirement, the Franchisee acknowledges that, from time to time, the Franchisor may require that it stock new and additional products or services in such minimum quantities as the Franchisor may determine to be desirable. The Franchisee agrees to comply with all requirements of the Franchisor

concerning the purchase, storage, display, preparation, use and sale of all approved products and services. If at any time, in the Franchisor's opinion, the Location does not have sufficient inventory and supplies, the Franchisor will have the right to order additional inventory and supplies on behalf of the Franchisee in sufficient quantities to satisfy the Franchisor's minimum inventory requirements and the Franchisee will pay the full cost of purchasing and delivering such inventory and supplies to the Location.

8.5 Rebates and Other Benefits

The Franchisee acknowledges and agrees that the Franchisor or its affiliates may from time to time receive from the Franchisee's suppliers and lessors various rebates, allowances, discounts, advertising allowances, construction allowances, and other benefits as a result of the Franchisee's leases or purchases. The Franchisee further acknowledges and agrees that the Franchisor or its affiliates will be entitled to retain for its or their own benefit all such payments or benefits. The Franchisee further acknowledges and agrees that the Franchisor or its affiliates are under no obligation whatsoever to apply any part of such benefits to the benefit of the Franchisee or to other franchisees generally. The Franchisor and its affiliates may also earn (and retain in full) a profit from the sale of any products and services to franchisees (including the Franchisee). The Franchisor and its affiliates may also operate a commissary which produces and/or carries certain products which the Franchisee is required to purchase; the franchisee also acknowledges and agrees that the price of any products provided by the Franchisor or its affiliate to the franchisee will be marked up above cost and the Franchisor and its affiliate may retain any resulting profit for their own account.

8.6 Standards of Service

The Franchisee and its employees will at all times give prompt, courteous, friendly and efficient service to all customers. The Franchisee and its employees will in all dealings with all customers, suppliers and the public adhere to the highest standards of honesty, integrity, good faith, fair dealing and ethical conduct. The Franchisee agrees not to deviate from the standards set by Franchisor from time to time for the operation of the Franchised Business including without limitation, any of the following:

(a) strict adherence to use of the products and services authorized from time to time by the Franchisor in accordance with Section 8.2;

(b) methods and procedures concerning the correct method of delivering restaurant services;

(c) the safety, maintenance, cleanliness, function and appearance of the Location;

(d) clothes and other items to be worn by, and general appearance of, the Franchisee's employees;

(e) the use and display of all Marks;

(f) the hours during and the days on which the Location will be open for business to the public;

(g) the honoring of credit, debit or other card services which the Franchisor has approved;

(h) the maintenance of adequate working capital;

(i) limiting or prohibiting the placement of personal property and other financial security interests in, or hypothecs or pledges of its assets;

(j) the use and illumination of signs, labels, posters, displays, standard formats and similar items;

(k) the identification of the Franchisee as an Osmow's franchisee and the owner of the Franchised Business;

(l) the content, style and media of advertising conducted by the Franchisee;

(m) the sources, types and brands of all products and services sold or displayed at the Location;

(n) the use and honoring of gift certificates, gift cards, coupons, loyalty and/or rewards cards redemptions of discounts and other such local and national promotional programs authorized by the Franchisor;

(o) attendance by the Franchisee at all seminars and meetings with other Franchisees;

(p) the minimum type and number of trained staff available at the Location at all times; and

(q) timely resolution of all customer complaints, including those appearing on social media and other online postings (and in accordance with any policy set out in the Manual).

8.7 Credit Verification

The Franchisee authorizes the Franchisor to conduct investigations and to make enquiries of such persons as the Franchisor deems appropriate concerning the credit standing, character and personal qualifications of the Franchisee and the Franchisee agrees to the conduct of such investigations and the making of such enquiries by the Franchisor and hereby authorizes any bank, trust company, credit agency or other person to release all such information upon request to the Franchisor.

8.8 Prices to be Charged by the Franchisee

The Franchisee may in the ordinary course establish the prices to be charged for the goods and services sold by the Franchised Business. The Franchisor reserves the right to stipulate maximum prices to be charged by the Franchisee with respect to any sale, gift, exchange, loan, barter or refund, in respect of the conveyance or transfer of goods or services by the Franchisee or any affiliate of the Franchisee in respect of the Franchised Business. The Franchisee agrees to comply with such directions from the Franchisor concerning prices. Such directions concerning prices may be contained in the order forms or packing slips which accompany goods purchased by the

Franchisee from the Franchisor or its designated suppliers, in advertisements and promotional material prepared or arranged by the Franchisor, or in the Manual, website delivery platforms and point of sale terminals and menu boards.

8.9 Full-Time and Attention

The Franchisee will devote his, her or its entire time, labor, skill, efforts and attention to honest, diligent and faithful operation of the Franchised Business, and will not participate in any other business activity without the Franchisor's prior written consent. The Franchisee shall hire and designate an individual to act as the designated operator (the "Designated Operator") who shall devote his or her entire time, labor, skill, efforts and attention to the honest, diligent and faithful operation of the Franchised Business, and will not participate in any other business activity.

8.10 Management of Location

The Franchised Business and the Location will at all times be under the direct on-premises supervision of the Franchisee or under the direct, on-premises supervision of the Designated Operator.

8.11 Hours of Operation

Subject to applicable laws, the Franchisee will keep the Location open for business and staffed with trained employees during such hours as required by the lease for the Location and such additional hours of business as the Franchisor may require.

8.12 Development of Market

The Franchisee will at all times actively promote the products and services offered by the Franchised Business, and will use its best efforts to develop, cultivate, and expand the market for these products and services.

8.13 Interim Remodeling

The Franchisee agrees to remodel, renovate, and upgrade the Franchised Business to the extent and in accordance with the then current standards as required by the Franchisor throughout the term of this Agreement. All costs incurred in connection with such remodelling, renovation, upgrading, and the acquisition of any fixtures will be paid solely by the Franchisee. The Franchisee must complete such work within 180 days after receiving notice from the Franchisor to do so, if the Franchisee fails to do so, for every two (2) months that the default is not cured, each such period will be deemed to be another default under this Agreement.

ARTICLE 9
GENERAL OBLIGATIONS OF THE FRANCHISEE

9.1 Pre-Opening Requirements

Before commencing operation of the Franchised Business, the Franchisee, at its expense, will comply, to the Franchisor's satisfaction, with all of the requirements set out below.

(a) The Franchisee shall do all such acts and things as are necessary (including, without limiting the foregoing, compliance with all contractual obligations) to ensure that the Franchised Business is open for business with all necessary permits, licenses and approvals in place, fully fixtured, stocked and staffed, as soon as reasonably possible following completion of the leasehold improvements to the Franchised Business, all at the sole cost of the Franchisee.

(b) The Designated Operator and one (1) other full-time employee of the Franchisee designated by the Franchisor will attend and successfully complete the Franchisor's training program prior to the opening of the Franchised Business. The initial training program will be conducted at a location designated by the Franchisor, or if determined by the Franchisor acting reasonably virtually by way of online or web- based resource(s), and for such duration as the Franchisor, in its discretion, determines necessary. The Franchisee and its employees will be responsible for all meal, travel, lodging or other expenses incurred in attending the Franchisor's training program. No wages or compensation of any type will be payable to trainees by the Franchisor.

(c) If, in the opinion of the Franchisor, the Designated Operator cannot or does not satisfactorily complete such pre-opening training programs or, in the Franchisor's opinion, the Franchisee has failed to demonstrate the qualities and abilities which the Franchisor deems necessary for the successful operation of the Franchised Business, the Franchisor may at its option terminate this Agreement in accordance with Section 17.1 hereof.

9.2 Ongoing Training

The Designated Operator will attend and successfully complete, and will cause those employees designated by the Franchisor to attend, and successfully complete, such additional continuing education and training programs as the Franchisor may require in writing from time to time. The Franchisor reserves the right to charge reasonable tuition and materials fees for these periodic training or retraining programs. The Franchisee will be responsible for all other expenses incurred in training, including, without limitation, the costs of meals, entertainment, lodging, travel, laundry and wages.

9.3 Replacement of Designated Operator

Subsequent to the Franchisee's initial opening of the Franchised Business to the public, no new or replacement Designated Operator shall work in the Franchised Business unless first approved by the Franchisor in writing and unless such individual has successfully completed the Franchisor's initial training program; in such circumstance, a training fee will be payable by the Franchisee to have the Designated Operator trained, of an amount of $5,000. Payment shall be made prior to the commencement of training. The initial training program will be conducted at a location designated by the Franchisor and for such duration as the Franchisor, in its discretion, determines necessary or at the Franchisor's discretion acting reasonably, virtually or by a web-based platform or online resource. The Franchisee and the Designated Operator will be responsible for all meal, travel, lodging or other expenses incurred in attending the Franchisor's training program. No wages or compensation of any type will be payable to trainees by the Franchisor.

9.4 Additional Training

If the Franchisee requests the Franchisor to train any of its employees (other than the Designated Operator and the one other full-time employee referred to in Subsection 9.1(b)), or if the Franchisor requires any of the Franchisee's employees to be trained where such employee does not meet the Franchisor's training standard, the Franchisee shall pay to the Franchisor its then-current hourly rate for such training which, as of the effective date of this Agreement, is $75.00 per hour plus all applicable taxes for each employee so trained. Payment shall be made immediately following invoicing by the Franchisor. Such training will be conducted at a location designated by the Franchisor or if determined by the Franchisor acting reasonably virtually by way of online or web-based resource(s), and for such duration as the Franchisor, in its discretion, determines necessary.

The Franchisee and its employees will be responsible for all meal, travel, lodging or other expenses incurred in attending the Franchisor's training program. No wages or compensation of any type will be payable to trainees by the Franchisor.

9.5 Credit, Debit and Other Payment Methods

The Franchisee agrees at all times to have arrangements in existence with such credit issuers or sponsors, check verification services, electronic funds transfer systems, and debit card hardware, software, maintenance, service and support service providers as the Franchisor designates or approves in writing from time to time to enable the Franchisee (or the Franchisor or any designated service provider via any central order-taking, banking, clearing or other service facility that may be established from time to time) to accept customers' credit cards, debit cards, loyalty card, gift card, checks and other methods of payment for goods.

9.6 Bank Account

The Franchisee agrees to maintain a commercial business checking account for the purpose of depositing funds and debiting of fees pursuant to the terms and conditions of any merchant account service agreement.

9.7 Hiring and Training of Employees by the Franchisee

The Franchisee will hire and train at its expense, all employees of its Franchised Business, and will be exclusively responsible for the terms of their employment and compensation. The Franchisee will ensure that its staff attends all mandatory staff development programs presented by the Franchisor. The Franchisor will be entitled to charge a fee for conducting such staff development programs. The Franchisee will not employ anyone who refuses, or fails to complete such training programs. The Franchisee will at all times maintain a sufficient number of trained employees to service the Franchisee's customers but in any event at least the minimum number specified from time to time by the Franchisor in the Manual or otherwise. All permanent employees of the Franchised Business will be required to execute a non-competition and non-disclosure agreement in the form prescribed by the Franchisor prior to commencing their employment with the Franchisee. Non-competition agreements are subject to state law. The Franchisee will furnish the Franchisor with an original copy of each such agreement within 4 days after such employee's commencement of employment.

9.8 Payment of Taxes and Indebtedness

The Franchisee will be absolutely and exclusively responsible and liable for filing all required tax returns and for the prompt payment of all federal, state and local taxes, levies, duties, license fees, withholdings, remittances, and assessments including, but not limited to, individual, corporate, limited liability company or partnership income taxes, sales, use, gross receipts, excise, value-added, goods and services, consumption, registration, ad valorem, workers compensation, health, environmental, occupation and/or property tax, assessment or levy (referred to in this section as "taxes"), whether direct or indirect. The Franchisee will pay to the Franchisor an amount equal to any sales tax, harmonized sales tax, excise tax, value-added tax or any similar tax imposed on the Franchisor with respect to any payments to the Franchisor or any marketing and promotion fund administered by the Franchisor. In the event that the Franchisor is liable for or otherwise makes payment of any taxes on behalf of the Franchisee, the Franchisee will reimburse the Franchisor in respect of any such amount upon demand. In the event that any indirect tax is imposed upon the Franchisor in a global manner or some other manner that does not specifically identify the Franchisee, the Franchisor will apportion the amount of such taxes as between the Franchisee and others.

9.9 Compliance with Laws

The Franchisee will comply with all federal, state and local laws, rules, regulations, policies and guidelines and will obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business in a timely manner, including, without limitation, licenses to do business, business name/fictitious name registrations and sales tax permits and also including without limitation compliance with all applicable privacy legislation with respect to the collection, use and disclosure of customers' and employees' personal information.

9.10 Duty to Notify

The Franchisee will notify the Franchisor in writing within 3 days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental authority, which affects or relates to the operation or financial condition of the Franchised Business, including, without limiting the generality of the foregoing, any governmental authority with responsibility for the administration of food safety and public health. A copy of any such order, writ, injunction, award or decree or of any complaint, claim or defense filed in connection with such action, suit or proceeding will be forwarded to the Franchisor within 3 days of the date of receipt to or forwarding by the Franchisee, as the case may be. Additionally, any and all customer-related complaints will be answered by the Franchisee within three (3) days after receipt of the complaint. A copy of the answer to any complaint will be forwarded to the Franchisor within 3 days of the date that any answer is forwarded to the complaining customer. Should the Franchisee not handle the complaint in a reasonable time or if the Franchisor, acting reasonably, determines that the response is not in line with the Franchisor's standards, then the Franchisor may intervene and respond and handle the complaint as it sees fit on behalf of the Franchisee at the sole cost and expense of the Franchisee.

9.11 Materials

The Franchisee will only use advertising materials, business stationery, printed materials and other marketing materials that have been pre-approved by the Franchisor.

9.12 Inspection of Location

The Franchisee will permit the Franchisor or its agents or representatives to enter upon the premises of the Franchised Business or any location at which the Franchisee is then providing services at any time during business hours and without notice for the purpose of inspecting the records of the Franchised Business, cash register tapes, bookkeeping and accounting records, invoices, payroll and employment records, time cards, check stubs, bank deposits, bank statements, cleared checks, receipts, sales tax records and returns, inventory records, income tax records and returns, and other business records. Any such inspection may include the use of "test customers" or "secret shoppers" without prior notification to the Franchisee. The Franchisee will also permit the Franchisor to inspect the premises, take samples of food servings or food inventory (without charge), take photographs, interview employees and customers, and conduct any other reasonable review to ensure compliance with the Franchisor's Manuals, standards and specifications and all public health regulations. The Franchisee will cooperate fully with the Franchisor's agents or representatives in such inspections by rendering such assistance as they may reasonably request.

(a) Without limiting the Franchisor's other rights under this Agreement:

(i) if, in the Franchisor's opinion acting reasonably, the Franchisee is not conducting or otherwise managing the Franchised Business in a proper and businesslike manner and in accordance with the System standards and the Manual, and as a result, the operation of the Franchised Business or the Image is being adversely affected, the Franchisor shall have the right, but not the obligation, to send a representative to direct the Franchisee in conducting and otherwise managing the Franchised Business at the Franchisee's expense; and

(ii) upon notice from the Franchisor or its agents or representatives, the Franchisee shall take such steps as may be necessary to correct, within the period of time designated by the Franchisor in its notice, any deficiencies detected during such inspections, including, without limitation, immediately removing items that do not conform with applicable standards and specifications, and desisting from and preventing the further use of any methods, equipment, advertising materials, programs, supplies, products, services or other items that do not conform to the Franchisor's then-current specifications, standards or requirements. In the event the Franchisee fails to correct such deficiencies for any reason, the Franchisor shall have the right and authority, but not the obligation, to correct such deficiencies and to charge the Franchisee all costs and expenses incurred by the Franchisor in doing so, plus an administrative fee equal to fifteen per cent (15%) of such costs and expenses, payable by the Franchisee immediately upon notice, without prejudice to any other rights or recourses available to the Franchisor. Franchisee acknowledges and agrees that failure to correct such deficiencies, or the existence of repeated deficiencies, may lead to termination of this Agreement. The Franchisee shall pay to the Franchisor an administrative fee as set out in the Manual and amended from time to time, which currently is $100 plus all applicable taxes for each full or partial calendar day that the Franchisee fails to fully comply with all of the provisions of this Section 9.13.

9.13 Use of Location and Business Name

The Franchisee will not share (whether by assignment, sublease, license or permit, directly or indirectly) the use of the Location and will use the Location solely for the conduct of business as an Osmow's franchisee and for no other purpose whatsoever. In connection with its use of the Location and its conduct of business as an Osmow's franchisee, the Franchisee will use only the Marks or such other business name as the Franchisor approves or designates in writing from time to time, and will use no other business name, acronym or pseudonym of any nature or description whatsoever.

9.14 Communications Equipment and Services

The Franchisee agrees to obtain and maintain at its sole cost in proper working order at all times, including all necessary repairs, maintenance, replacement and upgrades (to current industry standards) all telephone, facsimile, video, Internet (including high-speed connection (no dial-up service) and valid e-mail address), point-of-sale, card processing equipment, satellite, and other telecommunications hardware, software, service, maintenance and support that may be stipulated from time to time by the Franchisor in the Manual or otherwise communicated to the Franchisee, including such products and services which are not in existence at the effective date of this Agreement (referred to in this section as "Equipment and Services"). The Franchisee acknowledges and agrees that the Franchisor may purchase, lease or negotiate all or substantially all of the Equipment and Services on behalf of or for the benefit of the Franchisee, and the Franchisee agrees that payment in respect of such Equipment and Services will be made pursuant to the automatic payment procedure set out in Section 6.5, or upon demand by the Franchisor. The Franchisee hereby acknowledges that the Equipment and Services are provided "as is" and that the Franchisor does not provide any warranty of any kind, either express or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose. The Franchisor does not warrant that the functions contained in the Equipment and Services will meet the Franchisee's requirements or that the operation of the Equipment and Services will be uninterrupted or error free. To the extent permitted by statute or law, the Franchisee hereby waives all implied or express warranties provided by operation of statute or law.

9.15 Internet Home Page

It is the intention of the Franchisor that it will maintain a central home page on the Internet and the Franchisee acknowledges and agrees not to maintain any other domain name, home page or URL on the Internet without the prior written permission of the Franchisor.

9.16 ATM, Vending and Related Machines

The Franchisee will not install any automatic teller (bank) machines, telephones, or any vending machine or coin operated machine without the Franchisor's prior written approval. The full amount of all income received directly or indirectly from any such source will be entered into the Franchisee's point of sale (electronic cash register) on the day of sale, and will be included in the calculation of Gross Sales.

9.17 Confidential Information

Neither the Franchisee (whether the Franchisee is an individual, corporation, limited liability company or partnership), nor any of its employees, officers, directors, managers, shareholders, members, partners, representatives or agents, as the case may be, will, during or after the term of this Agreement, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, limited liability company or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to the Franchisee, or of which the Franchisee may have knowledge, by virtue of the Franchisee's operation under the terms of this Agreement. The Franchisee may divulge confidential information to its employees only on a "need to know" basis. Any and all information, knowledge and know-how relating to the System including, without limitation, advertising materials, promotion and marketing plans, drawings, materials, equipment, recipes, customer lists, supplier lists and other data, which the Franchisor designates as confidential, will be considered confidential for purposes of this Agreement.

9.18 Non-Competition

The Franchisee acknowledges that pursuant to this Agreement, the Franchisee will receive valuable specialized training and confidential and other information regarding the business, promotional, sales, marketing and operational methods and techniques of the Franchisor and the System. Franchisee agrees:

(a) While this Agreement is in effect the Franchisee and/or the Guarantor(s) shall not, either individually or in partnership or in conjunction with any person or persons, firm, association, syndicate or company, as principal, agent, shareholder, partner, employee or in any other manner whatsoever, directly or indirectly, carry on or be engaged in or concerned with or interested in (or lend money to, guarantee the debts or obligations of, or permit his or its name or any part thereof to be used or employed by any person or persons, firm, association, syndicate or company engaged in or concerned with) the operation of any restaurant whose menu features Mediterranean or Middle Eastern Cuisine, other than the Franchised Business (herein called the "Competing Business").

(b) In the event that this Agreement is terminated or expires for any reason, then for 2 years thereafter the Franchisee and/or the Guarantor(s) shall not, either individually or in partnership or in conjunction with any person or persons, firm, association, syndicate or company, as principal, agent, shareholder, partner, employee or in any other manner whatsoever, directly or indirectly, carry on or be engaged in or concerned with or interested in (or lend money to, guarantee the debts or obligations of, or permit his or its name or any part thereof to be used or employed by any person or persons, firm, association, syndicate or company engaged in or concerned with) the operation of a Competing Business at any place within a radius of 2 miles from the Location or from any other Osmow's location operated or franchised by the Franchisor as at the date of termination or expiration of the Franchise Agreement.

(c) In the event that the Franchisee fails or refuses to comply with the covenants of Subsection 9.20(a) or 9.20(b), even if such failure or refusal is based upon a claim that the laws of any particular jurisdiction excuse such non-compliance or make the provisions of said provision

unenforceable in whole or in part, the Franchisee hereby separately covenants and agrees that while this Agreement is in effect and for 2 years after termination or expiry, the Franchisor shall have the right and option to require that all sales made in the operation of the Competing Business shall be reported to the Franchisor as Gross Sales subject to Article 6 hereof and the Franchisee agrees to pay the Franchisor upon demand the monthly fees at the rates and on the times and in the manner specified in Article 6 and in this Agreement, all without being deemed to revive, modify or expand this Agreement.

(d) In the event the time or geographical limitations of paragraph (a) or paragraph (b) of this Section 9.20 are determined by any court of record to be invalid or unreasonable under applicable law, the Franchisor or the court shall have the right to substitute reasonable limitations in lieu thereof which are enforceable.

(e) While this Agreement is in effect and for 2 years thereafter, the Franchisee and the Guarantor(s) shall not, directly or indirectly, individually or in partnership or in conjunction with any person or persons, firm, association, syndicate or company, as principal, agent, shareholder, partner, employee or in any other manner whatsoever, divert or attempt to divert any business or customer of an Osmow's restaurant to any competitor in any manner.

The provisions of this Section 9.20 shall survive the termination or expiration of this Agreement and continue in full force and effect thereafter.

9.19 Personal Guarantees

The Franchisee or, if the Franchisee is a corporation, limited liability company or partnership, all of the Franchisee's shareholders, members, partners, directors, managers and officers as applicable, will at all times be individually bound by this Agreement as reflected by the guarantee signed and attached as Schedule 2. Such shareholders, members, partners, directors, managers and officers, as applicable, will execute such other documents as may be necessary from time to time to give effect to this section.

9.20 Organizational Documents

If the Franchisee is a corporation, limited liability company or partnership, then copies of the Franchisee's incorporation or formation and organizational documents, including the resolutions of the directors, managers, shareholders, members or partners, as applicable, authorizing entry into this Agreement, will be promptly furnished to the Franchisor on request. The Franchisee's organizational documents will restrict the business that the corporation, limited liability company or partnership may carry on to the operation of an Osmow's franchise.

9.21 Transfer and Issuance of Securities

If the Franchisee is a corporation, limited liability company or partnership, then the Franchisee will maintain stop transfer instructions against the transfer of any of its securities with voting rights, and all of its securities whether in paper or electronic form will bear the following printed legend:

"The transfer of the securities represented by this [certificate] [held under a Direct Registration System or in other electronic form] is subject to the terms and conditions of a Franchise Agreement with Osmow's INC. Reference is made to the provisions of that Franchise Agreement and to the organizational documents of this [corporation/limited liability company/partnership]."

9.22 Cleanliness

The Franchisee acknowledges the importance of spotless sanitary conditions to the reputation and goodwill of the Osmow's franchise system, the Franchisor, and the Franchised Business. Accordingly, the Franchisee agrees to maintain at all the times the highest standards of health, hygiene, cleanliness, repair and safety applicable to the operation of a food service establishment, and will comply with all applicable portions of the Manual, safety and health regulations standards or any written direction of the Franchisor.

9.23 HVAC Maintenance

The Franchisee agrees to enter into and maintain a heating, ventilation and air conditioning maintenance contract with such supplier, the Franchisor and/or the Head Landlord designates. Subject to the terms of the Lease, the Franchisee must maintain, repair, and replace the heating, ventilation and air conditioning systems within or servicing the Location as required.

9.24 Use of Name, Etc.

The Franchisee agrees to give the Franchisor and those acting under its authority the right to reasonably and fairly use their name, photograph or biographical material in any publication, circular or advertisement related to the business of the Franchisor or Franchisee, in any place for an unlimited period, without compensation.

9.25 Working Capital

The Franchisee will maintain adequate working capital, debt/equity ratios and compliance with other financial covenants as reasonably established from time to time by the Franchisor or the Franchisee's lenders, in the Franchised Business.

9.26 Camera System

The Franchisee will purchase, install, and maintain the camera system specified by the Franchisor. Such system shall be turned on (video only) and operational at all times during the term of this Agreement and shall be accessible at all times to the Franchisor for monitoring on the Internet or otherwise for the purposes of monitoring the store, training, disciplinary purposes and otherwise.

9.27 Mobile App

The Franchisee may not sell on a mobile app unless approved by the Franchisor.

ARTICLE 10
TRADEMARKS AND TRADE NAMES

10.1 Conditions for Use of Marks

With respect to the Franchisee's use of the Marks pursuant to the license granted under this Agreement, the Franchisee agrees to comply with all of the conditions of use set out below.

(a) The Franchisee will use only the Marks designated by the Franchisor and will use them only in the manner required or authorized and permitted by the Franchisor.

(b) The Franchisee will use the Marks only in connection with the license to operate the Franchised Business granted under this Agreement.

(c) During the term of this Agreement, the Franchisee will identify itself as a licensee and not the owner of the Marks and will execute any documents considered necessary by the Franchisor for protection of the Marks to reflect such status. In addition, the Franchisee will identify itself as a licensee of the Marks on all invoices, checks, pay stubs, order forms, receipts, business stationery and contracts. The Franchisee further acknowledges, covenants and agrees that it shall affix, in a conspicuous location in the Location, a sign or signs that the Franchisor shall either provide, or specify the form of to the Franchisee, indicating that the Franchisee is an independent business entity and a licensee of the Marks, and that the Franchisor's affiliate is the owner of the Marks.

(d) The Franchisee's right to use the Marks is limited to such uses as are authorized under this Agreement, or in the Manual, and any unauthorized use of the Marks will constitute an infringement of the Franchisor's rights and is grounds for termination of this Agreement.

(e) The Franchisee will not use the Marks or this Agreement to incur or secure any obligation or indebtedness.

(f) The Franchisee will not use the Marks or any part of them as part of its corporate, limited liability company, partnership or other legal name, any URL (Uniform Resource Locator) or e-mail address, without the Franchisor's prior written consent.

10.2 Notice of Litigation

The Franchisee will notify the Franchisor promptly of any claims or charges or any infringement or threatened infringement or piracy of any of the Marks, of any actual or intended common law passing off by reason of imitation or otherwise, as well as any other information that the Franchisee may have of any suspected infringement of the Marks. The Franchisee will take no action with regard to such matters without the prior written approval of the Franchisor, and will cooperate fully with the Franchisor in any such action. All decisions regarding action involving the protection and defense of the Marks will be solely in the discretion of the Franchisor, and the Franchisee will cooperate fully with the Franchisor.

10.3 Acknowledgement

The Franchisee expressly understands and acknowledges each of the matters set out below.

(a) the Franchisor's affiliate is the owner of the Marks and owner of all goodwill in the United States associated with and symbolized by them.

(b) The Marks are valid and serve to identify the System and those who are licensed to operate a Franchised Business in accordance with the System.

(c) The Franchisee will not directly or indirectly contest the validity or the ownership of the Marks.

(d) The Franchisee's use of the Marks pursuant to this Agreement does not give the Franchisee any ownership interest or other interest in or to the Marks.

(e) Any and all goodwill arising from the Franchisee's use of the Marks at the Franchised Business in accordance with the System will accrue solely and exclusively to the Franchisor's or the Franchisor's affiliate's benefit, as the case may be, and upon expiration or termination of this Agreement, no monetary amount will be paid or attributable to any goodwill associated with the Franchisee's use of the System or the Marks.

(f) The license to use the Marks granted under this Agreement to the Franchisee is non-exclusive, and the Franchisor and each of the Franchisor's affiliates may:

(i) itself use, and grant licenses to others to use, the Marks and the System;

(ii) establish, develop and franchise other systems, different from the System licensed to the Franchisee in this Agreement, without offering or providing the Franchisee any rights in, to or under such other systems; and

(iii) modify or change, in whole or in part, any aspect of the Marks or the System.

(g) The Franchisor reserves the right to substitute different names and Marks (including the primary Osmow's name and mark) for use in identifying the System, the Franchised Business and other franchised businesses operating under the System and the Marks (i.e. it may rebrand the System, including the Franchised Business, under a different name and mark).

(h) The Franchisor will have no liability to the Franchisee for any senior users which may claim rights to the Marks.

(i) The Franchisee will not register or attempt to register the Marks in the Franchisee's name or that of any other person, firm, entity, partnership, limited liability company or corporation. The prohibition in this section will not prevent or inhibit the Franchisee from complying with any legislation requiring registration of a business, trade or fictitious name of the Franchisee or the Franchised Business.

(j) The Franchisor does not make any representation or warranty to the Franchisee that any of the Marks are registered or registrable, that the Franchisor has the right or exclusive right to use any of the Marks, or that the Marks do not infringe on any intellectual property, proprietary or other right of any person.

ARTICLE 11
MANUAL

11.1 Compliance with Manual

In order to protect the reputation and goodwill of the Franchisor and to maintain uniform standards of operation under the Marks, the Franchisee will conduct its business in strict compliance with the Manual including all amendments and additions. One copy of the Manual or access thereto will be provided to the Franchisee on loan from the Franchisor for the term of this Agreement.

11.2 Confidentiality of Manual

The Franchisee will at all times treat as confidential and require its directors, managers, officers, shareholders, members, partners, employees, representatives and agents, as the case may be, to treat as confidential the Manual, and will use all reasonable efforts to maintain such information as secret and confidential. The Franchisee will not at any time, without the Franchisor's prior written consent or instruction, copy, duplicate, record or otherwise reproduce the Manual, in whole or in part, nor otherwise make it available to any unauthorized person.

11.3 Franchisor's Property

The Manual and other training materials on loan from the Franchisor will at all times remain the property of the Franchisor. Upon the expiration or termination of this Agreement, the Franchisee will immediately return the Manual and all copies and excerpts thereof to the Franchisor.

11.4 Revisions

The Franchisor may from time to time revise the contents of the Manual (which revisions may be transmitted via email) and the Franchisee agrees to comply with each new or changed standard. The Franchisee will at all times ensure that the Manual loaned to the Franchisee is kept current and up-to-date, and in the event of any dispute as to the contents of the Manual, the contents of the master copy of the Manual maintained by the Franchisor at the Franchisor's head office will be determinative.

11.5 Web-based Manual

The Franchisor reserves the right to establish a web-based Manual for the Franchisee's use. At such time, if ever, as a web-based Manual is established by the Franchisor, all provisions relating to the hard-copy form of the Manual in this Article 11 shall apply, along with all other provisions of this Agreement, with the necessary modifications. The Franchisee agrees to keep all passwords and "user IDs" strictly confidential and immediately notify the Franchisor of any unauthorized access.

ARTICLE 12
ACCOUNTING AND REPORTING

12.1 Use of Designated Accounting System

The Franchisee agrees to utilize the computerized bookkeeping, reporting and accounting system that may be designated from time to time by the Franchisor (including the fiscal year and reporting periods designated by the Franchisor for purposes of budgeting, reporting, and accounting as required under this Agreement), which system will be established and utilized by the Franchisee to account for, and transmit, the financial information required under this Agreement. The Franchisee further agrees to pay all reasonable fees charged for use of such systems, as well as the purchase or lease of all necessary computer hardware, software, technical support and other expenses.

12.2 Online Access

The Franchisee agrees that the computerized sales terminals, delivery platforms, bookkeeping, reporting and accounting system to be implemented and maintained by the Franchisee, as well as the email address and email server connection to be maintained by the Franchisee, under this Agreement may include online access (electronic data interchange) hardware and software that will permit the Franchisor to access all of the Franchisee's computer-based information, and to read, download and copy any and all such information as may be required by the Franchisor from time to time in accordance with this Agreement. The Franchisee agrees to provide such access on a free and uninterrupted basis, to maintain all of its computerized records in an accurate, complete and absolutely current basis, and to comply with all directives of the Franchisor as to the confirmation of all such data, software and hardware.

12.3 Maintenance of Records

During the term of this Agreement, the Franchisee will maintain and preserve, for at least 5 years from the dates of their preparation, full, complete and accurate books, records and accounts (including daily cash out forms, cash register till tapes, credit card statements and bank statements) in accordance with generally accepted accounting principles and in the form and manner designated by the Franchisor from time to time in the Manual or otherwise in writing.

12.4 Failure to Maintain Proper Records

If the Franchisee fails to keep proper business records or is unable to produce complete or proper business records as required by this Agreement for any period and the Franchisor suspects that the Gross Sales of the Franchised Business as reported to the Franchisor has been understated for such period, the Franchisor will be entitled to estimate the Gross Sales of the Franchised Business for such period based on its experience with other franchisees and such estimate will be deemed to be accurate and will be used for purposes of calculating the fees payable to the Franchisor under this Agreement unless and until the Franchisee produces the required records in a complete and proper form.

12.5 Recording of Sales

The Franchisee will not under any circumstances allow, permit or operate with an open cash register drawer between registration of sales, and every transaction or sale in, upon or from the Location, including all transactions referred to in Section 9.18, will be registered on or upon the cash register installed at the Location. The Franchisee will use only cash register hardware and software approved by the Franchisor, and it is understood that the current point of sale provider, allows the Franchisor to access all of the Franchisee's computer-based information, and to read, download and copy any and all such information as may be required by the Franchisor from time to time in accordance with this Agreement.

12.6 Reports and Financial Information

The Franchisee will provide to the Franchisor such reports (and in such format) as the Franchisor may reasonably require from time to time. Without limiting the generality of the foregoing, the Franchisee will furnish to the Franchisor the following reports:

(a) by the 3rd day of each month, a report of Gross Sales for the immediately preceding calendar month, signed and verified by the Franchisee together with copies of such other information and supporting records as the Franchisor may require from time to time, including a cash flow report, an aged list of accounts receivable and accounts payable, and a balance sheet and income statement for that month;

(b) copies of all federal, state and local income and sales tax returns and payroll tax returns submitted by the Franchisee for any period;

(c) by the 3rd day following each quarter of each fiscal year of the Franchised Business, a profit and loss statement for the immediately preceding quarter;

(d) by the 90th day after the expiration of each fiscal year of the Franchised Business, a review engagement profit and loss statement and a balance sheet as of the end of such year certified by an independent certified public accounting firm provided that the Franchisor shall have the right, if it deems it necessary, to require the Franchisee to submit audited statements at the Franchisee's sole expense; and

(e) Financial data of the Franchisee may be compiled and provided by the Franchisor to third parties, provided that the identity of the Franchisee will not be disclosed.

12.7 Additional Information

The Franchisee will also submit to the Franchisor, for review or auditing, such other forms, reports, records, information and data as the Franchisor may designate, in the form and at the time required by the Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing.

12.8 Inspection

The Franchisor or its designated agents will have the right at any time during business hours to examine the books, records, receipts, and tax returns and any other financial records and reports of the Franchisee. The Franchisor's right of examination will include the right to remove all such books, records, etc. for the purpose of photocopying, provided that any such books, records, etc. so removed will be returned promptly to the Franchisee. The Franchisor will also have the right, at any time to audit or have audited the books of the Franchisee. The cost of such examinations, inspections or audits will be paid by the Franchisor, unless the examination, inspection or audit resulted from the Franchisee's failure to prepare or deliver the reports or financial information or to maintain books and records required under this Agreement, or unless any such examination, inspection or audit discloses an understatement in any report, book or record of 3% or more, the Franchisee will reimburse the Franchisor for any and all costs and expenses connected with the examination, inspection or audit (including, without limitation, reasonable accounting and legal fees). If an examination, inspection or audit should reveal that payments have been understated in any report to the Franchisor then the Franchisee will, in addition, immediately pay to the Franchisor the amount understated upon demand and interest from the date such amount was due until paid, at the Interest Rate. Remedies under this section will be in addition to any other remedies that the Franchisor may have, including the right to termination without opportunity to cure set out in Section 17.2.

ARTICLE 13
ADVERTISING

13.1 Initial Marketing / Grand Opening Advertising

The Franchisor will, in consultation with the Franchisee, provide grand opening advertisement services and materials to the Franchisee to assist the Franchisee with the initial opening of the Franchised Business. The Franchisee understands and acknowledges that it may not receive the same grand opening advertising materials or services as received by other franchisees of the Franchisor. The selection of media and locale for media placement, the nature of promotional programs, and the content and quantity of promotional and advertising materials shall be at the Franchisor's sole discretion. The Franchisor shall not assume any direct or indirect liability or obligation whatsoever towards the Franchisee with respect to the maintenance, direction and administration of such initial marketing or grand opening advertising materials and services.

13.2 Submission and Approval of Advertising

All advertising by the Franchisee in any medium will be conducted in a dignified manner and will conform to the standards and requirements established from time to time by the Franchisor. The Franchisee will submit to the Franchisor for its prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans and materials that the Franchisee desires to use and that have not been prepared or previously approved by the Franchisor. If written disapproval of the proposed advertisement is not received by the Franchisee within 15 days from the date of receipt by the Franchisor of the materials, the Franchisor will be considered to have given the required approval. The Franchisee shall not send any commercial electronic messages,

whether such messages are delivered by SMS, e-mail, or by any other electronic means, without the Franchisor's prior express written approval.

13.3 Advertising and Promotion Fund

The Franchisee is required to pay into the Fund such amounts as are required by Section 6.3. The Franchisee understands and acknowledges that it may not benefit directly or in proportion to its contribution to the Fund from the development of advertising, marketing and public relations programs and materials. It is understood that franchisees will require different amounts of assistance from time to time and such assistance is not intended to be allotted equally among franchisees. The Franchisor reserves the right to make any determination as to the manner and extent of necessary support for each specific franchisee.

13.4 Use of Funds by the Franchisor

All payments by the Franchisee to the Fund will be maintained in an account separate from any other monies of the Franchisor. The proceeds of the Fund will be used primarily for purposes of preparing, developing and conducting state or local advertising and promotional programs, promotional events, commercial prints, promotional materials; to cover creative and production costs and various market research costs, as well as to reimburse the Franchisor for reasonable legal, accounting and administrative expenses associated with same. The Franchisor reserves the right to place and develop such promotion and advertisements and to market same, either directly or through an advertising agency retained or formed for such purpose. Should the Franchisor place and develop such promotion and advertisements, the Franchisor shall be entitled to be reimbursed from the Fund for all expenses reasonably incurred thereby. The selection of media and locale for media placement, the nature of promotional programs and the content of promotional and advertising materials shall be at the Franchisor's sole discretion. The Franchisor shall not assume any direct or indirect liability or obligation whatsoever towards the Franchisee with respect to the maintenance, direction and administration of such Fund. The Franchisor shall have the right to discontinue the operation of the Fund upon notice to the Franchisee and thereupon the Franchisee's obligation to contribute further to the Fund shall terminate. The Franchisee further agrees to fully and expeditiously participate in any and all advertising, sales and promotional events and programs organized and/or conducted by Franchisor, including without limitation, the distribution and redemption of coupons prescribed by Franchisor for use in connection with the System.

13.5 Termination of Fund

Although the Fund is intended to be of perpetual duration, the Franchisor reserves the right to terminate the Fund, in its discretion. The Fund will not be terminated, however, until all monies in the Fund have been spent as described in this Article 13.

13.6 Administration of Fund

The Franchisor may establish such policies and procedures for the administration of the Fund as the Franchisor, in its discretion, may consider necessary and appropriate. The Franchisor will account for each year as to advertising funds spent, including a reasonable allocation for the Franchisor's direct and indirect overhead expenses incurred in connection with the administration and management of the Fund. It is understood and agreed that the Franchisor will allocate

advertising funds as it considers appropriate in its sole discretion. The Franchisee will be entitled to reports on advertising activities financed by the Fund and to review unaudited financial statements for the Fund.

13.7 Advertising Directed by the Franchisee

In addition to the Franchisee's contributions to the Fund required under Section 6.3, the Franchisee agrees that it will dedicate and spend at least 1% of the Franchisee's Gross Sales each year for local or regional advertising as designated or approved by the Franchisor prior to the use of such advertising or promotion materials by the Franchisee, including but not limited to sponsorship of local sports teams, and will, upon request to the Franchisor, provide documentation demonstrating these expenditures. The Franchisee will advertise and promote only in a manner that will reflect favorably on the Franchisor, the Franchisee, the Franchised Business, the System, the Marks, and the good name, goodwill and reputation of each. All advertising by the Franchisee must be completely factual and conform to the highest standards of ethical advertising. In the event that the Franchisee is required under the Lease to spend any amount on advertising, which amount is actually spent by the Franchisee, then the Franchisee will be entitled to credit that amount against the amount the Franchisee is required to spend on local advertising.

13.8 Email Address

The Franchisee will, at its expense, obtain and maintain throughout the term of this Agreement an email address from the service provider specified by the Franchisor and in the format required by the Franchisor.

13.9 Social Media

The Franchisee may state on any personal social media page such as Facebook and LinkedIn its affiliation with the System during and only during such time as the Franchisee is affiliated with the System without providing any additional information beyond that fact and the location of the Franchised Business. The Franchisee will have no right, license or authority to use any of the Marks on or in connection with the internet including, without limitation, by participating in any social media sites such as Facebook, Twitter, Instagram, Yelp, etc. except as stated in and permitted by this section, the Manual, or with the Franchisor's prior written approval.

13.10 Google Listing

The Franchisor may, at the Franchisee's expense, obtain and register an online profile including a Google listing for the Franchisee's Restaurant. The Franchisee shall cooperate with Franchisor and must comply with the Franchisor's marketing department in registering their Restaurant's online profile. The Franchisee shall not register a conflicting Google listing or online profile without the Franchisor's consent. The Franchisee shall, at the Franchisor's request, grant the Franchisor access to and control of the Franchisee's Restaurant's online profile and/or Google listing.

ARTICLE 14
INSURANCE

14.1 Policies to be Obtained

The Franchisee will purchase and maintain insurance coverage with an insurer acceptable to the Franchisor prior to providing the services licensed under this Agreement, and will maintain same during the term of this Agreement. Such insurance coverage shall name the Franchisor as an additional insured and shall contain an agreement by the insurer that it will not cancel or modify such policy of insurance except after 30 days' prior written notice to the Franchisor and will be primary and non-contributory. The Franchisee will provide the Franchisor with proof of coverage upon request from time to time.

14.2 Scope of Coverage

Insurance policies will be written by an insurance company satisfactory to the Franchisor in accordance with the standards and specifications set out in the Manual or otherwise in writing, and will include, at a minimum:

(a) employer's liability and workers' compensation insurance as designated by applicable law;

(b) comprehensive general liability insurance covering the operation of the Franchised Business in an amount not less than $5,000,000 with personal injury inclusion. The Franchisee's general liability insurance will name the Franchisor as an additional loss payee, and will provide for notice to the Franchisor of any default under the policy, and 30 days' prior written notice to the Franchisor of the insurer's intention to revoke or cancel coverage;

(c) property coverage to the amount of the full insurable value of all of the Franchisee's property of every kind, including leasehold improvements made by the Head Landlord of the Location, property of others for which the Franchisee is legally liable as a bailee, leased equipment, stock and any other contents of every description, on an "all risks" basis, including coverage for conventional loss due to an insured peril. Such coverage will be subject to replacement cost valuation, with exception to stock, which will be insured to a value representative of its fair market value as a consumable product;

(d) business interruption (gross earnings form) insurance, including royalty and other payments due to the Franchisor under the terms of this Agreement, any lease or sublease, and any other agreement affecting the Franchised Business or the Location; and

(e) boiler and machinery coverage extension including but not limited to such named object groups as heating, ventilating and air conditioning equipment, electrical panels, transformers, compressors, generators, chillers and refrigeration equipment.

14.3 Franchisor's Option to Obtain Insurance

Should the Franchisee, for any reason, fail to obtain or maintain the insurance required by this Agreement, as revised from time to time by the Manual or otherwise in writing, the Franchisor will have the right, at its option, to obtain such insurance and to charge that expense to the Franchisee, which charges, together with an administrative fee for the Franchisor's expenses in so

acting equal to 15% of the total premium cost, will be payable by the Franchisee immediately upon notice.

14.4 Franchisee to Report Claims

The Franchisee will promptly report, no later than within 3 business days, all claims or potential claims against the Franchisee, the Franchisor or the Franchised Business to its insurer and the Franchisor.

14.5 Franchisor's Option to Alter Insurance Protection

The Franchisor may from time to time reasonably determine and increase the minimum insurance limits and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, higher court awards and other relevant considerations.

14.6 Franchisee's Obligation to Inform Franchisor of Material Change in Operation

The Franchisee will as soon as practicable provide notice to the Franchisor and the Franchisor's insurance broker of any change in operations, whether related to occupancy or operation of the Franchised Business, which may prejudice the rights of the insurer and preclude the Franchisee or Franchisor from being able to make an otherwise valid claim under the terms of the insurance policy or policies obtained pursuant to this Article.

ARTICLE 15
TRANSFER OF INTEREST

15.1 Transfer by the Franchisor

The Franchisor will have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity or undergo any change of control. The Franchisee agrees to execute any forms that the Franchisor may request to complete any such assignment or transaction involving the Franchisor.

15.2 Transfer by the Franchisee

The Franchisee understands and acknowledges that the rights and duties set out in this Agreement are personal to the Franchisee, and that the Franchisor has entered into this Agreement in reliance on the business skill and financial capacity of the Franchisee and of its Guarantors, directors, managers and shareholders, members or partners, if applicable. Accordingly, neither the Franchisee nor any individual, partnership, limited liability company, corporation or other legal entity which directly or indirectly controls the Franchisee, if the Franchisee is a corporation or limited liability company, nor any general partner or limited partner (including any corporation or limited liability company that controls, directly or indirectly, any general or limited partnership) if the Franchisee is a partnership, will sell, assign, transfer, convey, give away, pledge, mortgage, hypothecate or otherwise encumber any direct or indirect legal or beneficial interest in the Franchisee, in this Agreement, in the Franchised Business or any of the assets employed by or in connection with the Franchised Business without the prior written consent of the Franchisor. Any purported assignment or transfer, by operation of law or otherwise, which does not have the prior

written consent of the Franchisor, will be null and void and will constitute a material breach of this Agreement for which the Franchisor may terminate this Agreement without opportunity to cure.

15.3 Franchisor's Right of First Refusal

The Franchisee or any individual, partnership, limited liability company, corporation or other entity holding any direct or indirect interest in the Franchisee or in the Franchised Business (referred to in this section as the "Seller") and who desires to accept any valid arm's length offer from a third party to purchase its direct or indirect interest in the Franchisee, the Franchised Business or any assets of the Franchisee or the Franchised Business (referred to in this section as the "Assets to be Sold") will give notice of the offer (referred to in this section as the "Offer") to the Franchisor, along with a complete copy of the Offer, a copy of the Franchisee's most current financial statements, the Franchisor's standard franchise application form completed by the proposed transferee, and a $7,500 non-refundable processing fee for considering the request for the transfer (this payment will be applied toward the amount payable under Section 15.5(k) or 15.5(l), as applicable, in the event that the Franchisor does not exercise its right of first refusal provided by this section). The Franchisor will then have the option, exercisable within 30 days after receipt of all such material, to send written notice to the Seller that the Franchisor or its nominee intends to purchase the Seller's interest in the Assets to be Sold on the same terms and conditions set out in the Offer. Any change in the terms of the Offer prior to closing will constitute a new offer subject to the same rights of first refusal by the Franchisor or its nominee as in the case of an initial offer. Failure of the Franchisor to exercise the option afforded by this section will not constitute a waiver of any other provision of this Agreement. In the event that the Franchisor does not exercise its right of first refusal under this section, then the Seller may sell its interest in the Assets to be sold, provided that the sale is completed within 90 days from the last day on which the Franchisor could have exercised its right of first refusal. If the proposed sale is not completed within the said 90-day period, then the Franchisor's right of first refusal under this section will revive automatically and continue in full force. In the event that the Franchisor exercises its right of first refusal in accordance with this section, the amount of the purchase price payable will be reduced by the amount of any commission or fee that would otherwise have been payable to any broker, agent or other intermediary in connection with the sale of the Assets to be Sold to the proposed transferee. Notwithstanding anything to the contrary in the Offer, where the terms of purchase of the Assets to be Sold include any financing terms, the Franchisor will have the option to pay the entire consideration in cash on closing; and, the Franchisor may advance the closing date to any date prior to the closing date stipulated in the Offer.

15.4 Franchisor's Option to Purchase

The Franchisor may at any time during the term of this Agreement deliver notice to the Franchisee that it wishes to purchase all of the Franchisee's interest under this Agreement and under any and all franchise agreements, sub-leases, head leases and other agreements whatsoever relating to the same (the "Assigned Rights"), and in such event the Franchisee shall sell, assign and transfer for the price set out hereafter, the Assigned Rights or, at the option of the Franchisee, the ownership interest of the owners of the Franchisee, and the Franchisee warrants and represents that it has the authority to execute this Agreement on behalf of such owners for the purpose of binding them to sell their ownership interest to the Franchisor. The Assigned Rights or the ownership interest of the owners of the Franchisee will be transferred on closing free and clear of any and all claims,

encumbrances, liens or other interest whatsoever, failing which the Franchisor may either terminate its exercise of this option, or deduct the cost of discharging and removing the same from the price payable by the Franchisor. Franchisee or all owners of the Franchisee (as applicable) will deliver on closing such conveyances, bills of sale, assignments or other transfer documents as may be required by the Franchisor to effect the same and the closing of such transaction will take place 45 days after the delivery of such notice to the Franchisee by the Franchisor, provided that the price payable to the Franchisee will be paid annually on the closing and the next two anniversary dates of such closing in equal instalments of one-third of the purchase price, without interest. The price payable by the Franchisor to the Franchisee will be equal to 3 times the Franchisee's EBITDA (earnings before interest, tax, depreciation, and amortization calculated in accordance with United States generally accepted accounting principles) for the 12 full calendar months preceding the date of delivery of the Franchisor's notice. In the event that the Franchisee has not yet operated for at least 12 calendar months, the price payable by the Franchisor to the Franchisee will be equal to 4 times the Franchisee's average monthly EBITDA for all full months during which the Franchisee has operated the Franchised Business, multiplied by 12. If the day of closing falls on a weekend or holiday, then the closing will be completed on the next following business day.

15.5 Pre-Conditions to Transfer

Subject to its rights under sections 15.3 and 15.4, the Franchisor will not unreasonably withhold its consent to a transfer of any interest of the Franchisee in the Franchised Business or any transfer by the Franchisee's owners of an interest in the Franchisee. Prior to the proposed transfer, the Franchisee must fulfil the terms of the Franchisor's transfer policy in effect at the time of transfer. The Franchisor may, in its discretion, as a part of its transfer policy, require that the conditions set out below be satisfied prior to the granting of approval for the transfer of the Franchisee's interest in this Agreement.

(a) If the transferee entity is to be a corporation, limited liability company or partnership, then it will be a newly organized corporation, limited liability company or partnership and copies of all incorporation, formation or organizational documents, including any shareholder agreement, limited liability company agreement, operating agreement or partnership agreement will be delivered to the Franchisor. The organizational documents will restrict the business that the corporation, limited liability company or partnership may carry on to the operation of an Osmow's franchise.

(b) All obligations, monetary or otherwise, of the Franchisee or of the principals of the Franchisee to the Franchisor and affiliates and suppliers of the Franchisor will have been satisfied in full.

(c) The Franchisee or transferor, as the case may be (and, if the Franchisee is a corporation, its shareholders, directors and officers and, if the Franchisee is a limited liability company, its members, managers and officers and, if the Franchisee is a partnership all of its partners) will have delivered to the Franchisor a complete release of the Franchisor, its employees, officers, directors and shareholders, its affiliates and subsidiaries and the employees, officers, directors and shareholders thereof, from all obligations under this Agreement of any such persons, in form satisfactory to counsel for the Franchisor (such release not to include a release of any claims under applicable franchise legislation that may not be waived).

(d) The transferee will enter into a written agreement, in a form satisfactory to the Franchisor, assuming and agreeing to discharge all of the Franchisee's obligations under this Agreement.

(e) The Franchisee will not be in default of any provision of this Agreement or any other agreement between the Franchisee and the Franchisor, or any of the Franchisee's trade creditors.

(f) The transferee and its principals will demonstrate to the Franchisor's satisfaction: that they meet the Franchisor's managerial and business standards; possess a good moral character, business reputation, and credit rating; have the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise); and have adequate financial resources and capital to operate the Franchised Business.

(g) The transferee will execute (and/or, upon the Franchisor's request, cause all interested parties to execute) such then-current standard form franchise agreement and other supporting documents as the Franchisor may require for the Franchised Business, which will supersede in all respects this Agreement, and which may differ materially from the terms of this Agreement and which may, in particular, provide for higher amounts of Royalty Fees and Advertising Fees provided, however, that the rates of Royalty Fees and Advertising Fees shall not be greater than the rates then being charged to the Franchisor's new franchisees;

(h) At the transferee's expense and upon such other terms and conditions as the Franchisor may reasonably require, the Franchisor may require the transferee or the transferee's manager to complete the training course then in effect for the franchisees in the same manner and upon the same terms as the initial training. The transferee will bear all travel, accommodation, meals and other living and out-of- pocket costs and expenses for such training.

(i) If the transferee is a corporation, limited liability company or partnership then the shareholders, members, partners, directors, managers and officers of the transferee will provide their personal guarantee of all of the Franchisee's obligations under this Agreement and any other agreement between the Franchisor and the Franchisee.

(j) Upon submitting a request to transfer the Franchisee's interest in the Franchised Business or a transfer by the Franchisee's owners of an direct or indirect interest in the Franchisee, subject to state law, the Franchisee will pay the Franchisor a non- refundable processing fee of $7,500 plus all applicable taxes, as consideration and reimbursement for the Franchisor's review of the proposed transfer, and review of the prospective transferee, legal fees, and other expenses incurred as a result of reviewing the proposed transfer. If the proposed transfer is approved, then the full amount of this fee will be credited to the transfer fee payable under Subsection 15.5(k). If the proposed transfer is not approved, then the full amount of this fee will be credited against the amount payable by the Franchisee pursuant to Section 15.5(l) below provided that any outstanding balance owed by the Franchisee after applying such credit will remain payable by the Franchisee to the Franchisor and any remaining balance shall be returned by the Franchisor to the Franchisee.

(k) The Franchisor will be paid in full its transfer fee which is equal to the then-current Franchise Fee being charged by the Franchisor to new franchisees amortized proportionately to the remaining term of the lease.

(l) In addition to paying the transfer fee described in Section 15.5(k) immediately above, the Franchisee shall reimburse the Franchisor for all costs and expenses (including, without limitation, all legal and administrative costs and expenses) incurred by the Franchisor pertaining to its review or consideration of the proposed transfer or the proposed transferee, or otherwise incurred in connection with the proposed transfer, which amounts must be immediately paid by the Franchisee to the Franchisor regardless of whether the Franchisor consents to the proposed transfer or whether the proposed transfer is completed.

(m) The Franchisee will deposit with the Franchisor an amount equal to one month's rent for the Location, to be held by the Franchisor and applied against any post- transfer adjustments such as utilities, realty tax or operating cost adjustments from the Head Landlord as well any other obligations of the Franchisee in respect of the Franchised Business which may become known subsequent to the transfer. The balance of the holdback, if any, will be paid out once the Franchisor has received written confirmation that no further amounts are due in respect of the period of the Franchisee's occupancy.

(n) The Franchisee will transfer any liquor sales license for the Franchised Business to the transferee.

(o) Regardless of any transfer by the Franchisee in accordance with this article, the Franchisee and any guarantor of the Franchisee's obligations under this Agreement will remain bound by all of the terms and conditions of this Agreement and any such guarantee.

(p) At the discretion of the Franchisor, the transferee shall, at its expense, reconstruct or renovate the Location and install such fixtures, accessories, furnishings and equipment as the Franchisor in its discretion may require having regard to the criteria required with respect to the design, construction and equipment in effect under the System at the time of the transfer; provided that, notwithstanding the foregoing, the Franchisor may require, at its option, that all such reconstructions or renovations and installations shall be performed by the Franchisor at the transferee's expense.

(q) Unless otherwise expressly approved by the Franchisor in writing, the transfer shall be effected in compliance with the requirements of all applicable legislation, including without limitation, legislation relating to sales taxes.

15.6 Transfer to Closely Held Corporation

If the Franchisee is an individual, the Franchisee may with the prior written consent of the Franchisor, which consent will not be unreasonably withheld, transfer the franchise to a corporation or limited liability company or limited partnership without payment of a transfer fee, provided that all of the preconditions to transfer set out in Section 15.5, save and except for Subsection 15.5(k), are fully complied with and provided that the additional conditions set out below are satisfied.

(a) The person signing this Agreement as Franchisee will continue to be the legal and beneficial owner of 51% or more of the outstanding voting shares of the transferee corporation, outstanding voting membership interests of the transferee limited liability company or voting partnership interests of the limited partnership transferee, as applicable which entities' organizational documents will restrict its activities to operation of an Osmow's franchise.

(b) The person signing this Agreement as Franchisee will remain as a director or manager and officer of the transferee corporation, limited liability company, or the general partner of the limited partnership.

(c) All of the shareholders, members, partners, directors, managers and officers of the transferee corporation, limited liability company or limited partnership will execute such guarantees of obligations of the corporation, limited liability company or limited partnership as the Franchisor may direct.

(d) The Franchisee is not in default hereunder.

(e) The Franchisee assigns the Lease or Sublease, as applicable to the transferee corporation, limited liability company or limited partnership.

(f) The transferee corporation, limited liability company or limited partnership agrees, in writing satisfactory to the Franchisor, to assume all of the Franchisee's obligations hereunder.

(g) The Franchisor will be reimbursed for its costs (including legal costs) incurred in administering and preparing the necessary transfer documentation.

15.7 Transfer Upon Death or Incapacity

Subject to Sections 15.3 and 19.7, upon the death or deemed Incapacity of any person with any interest in the Franchised Business or in the Franchisee or upon the dissolution or winding-up of a Franchisee that is a partnership, limited liability company or corporation, the executor, administrator, personal representative or trustee of such person or entity will transfer his, her, or its interest to a third party approved by the Franchisor within 4 months of the death or deemed Incapacity. Such transfers, including without limitation, transfers by devise or inheritance, will be subject to the same conditions as any transfer between living persons.

15.8 Non-Waiver of Claims

The Franchisor's consent to any transfer under this Agreement will not constitute a waiver of any claims it may have against the transferring party, nor will it be considered a waiver of the Franchisor's right to demand strict compliance with any term of this Agreement by the transferee.

ARTICLE 16
CHANGES AND MODIFICATIONS

16.1 Franchisor's Right to Modify System, Etc.

The Franchisor reserves and will have the right to make changes in the Manual, the System, and the Marks at any time and without prior notice to the Franchisee. The Franchisee will promptly alter any signs, products, business materials, services provided, methods of operation and related items, at its cost and expense, upon receipt of written notice of such change or modification in order to conform with the Franchisor's revised specifications. In the event that any improvement or addition to the Manual, the System, or the Marks is developed by the Franchisee, then the Franchisee grants to the Franchisor a perpetual, irrevocable, world-wide, exclusive, royalty-free license, with the right to sub-license such improvement or addition.

16.2 Scope of Change or Modification

The Franchisee understands and agrees that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers unforeseen trends, global or local changes, market and/or global events, health and safety protocols, and/or presently unforeseen technological innovations, the Franchisor's System must not remain static, in order that it best serve the interests of the Franchisor, all franchisees and the System. Accordingly, the Franchisee expressly understands and agrees that the Franchisor may from time to time change the components of the System, including but not limited to: altering the products, programs, services, methods, standards, forms, policies and procedures of the System; adding to, deleting from or modifying the programs, products and services that the Franchised Business is authorized to offer; and changing, improving, modifying, or replacing the Marks, including the primary Osmow's name and mark. The Franchisee agrees to adopt and abide by all such modifications, changes, additions, deletions and alterations at its sole expense.

ARTICLE 17
DEFAULT AND TERMINATION

17.1 Termination Prior to Opening

The Franchisor will, subject to state law, have the right to terminate this Agreement effective upon delivery to the Franchisee of written notice of termination, upon the occurrence of any of the events listed below:

(a) Any of the applicable terms and conditions set out in Section 5.2 are not met.

(b) The Franchisor determines that, at the time of the commencement deadline required in Section 5.7, the Designated Operator has not satisfactorily completed the pre- opening training programs to its satisfaction pursuant to Subsection 9.1(c) or that the Designated Operator has not demonstrated the qualities and abilities necessary for the successful operation of the Franchised Business, notwithstanding that the Franchisee may be otherwise prepared to commence operations.

In the event that the Franchisor terminates this Agreement pursuant to Subsection 17.1 (a), or (b), the Franchisor shall refund any amounts received under this Agreement from the Franchisee, without interest, except for an amount of:

(a) $7,500, in the case of termination pursuant to Subsection 17.1(a),above; or

(b) $25,000 in the case of termination pursuant to Subsection 17.1(b), which amount will be kept by the Franchisor to reimburse it for substantial costs and damages incurred by the Franchisor for such things as operating the Franchised Business until a suitable replacement is found, and will be retained as liquidated damages, and not as a penalty. The obligation of the Franchisor to refund the balance of such money to the Franchisee shall be conditional upon the Franchisee re-conveying to the Franchisor all assets, if any, acquired by the Franchisee from the Franchisor or its affiliates, as the case may be. Furthermore, in the event of termination of this Agreement under this section, the parties shall have no further liability to one another, except that the obligations of the Franchisee, which by their nature survive termination including without limitation, those obligations pursuant to Article 10, Sections 9.19, 9.20, 11.2, and 11.3 hereof, which shall survive such termination.

The Franchisor will have the right to terminate this Agreement effective upon delivery to the Franchisee of written notice of termination, upon the occurrence of any of the events listed below without any refund of the Franchise Fee:

(a) The Franchisee fails to obtain or make application for all federal, state, or local licenses, permits and certifications required by the Franchisor before commencing operation of the Franchised Business.

(b) The Franchisee fails to commence to operate the Location as required in Section 5.7.

17.2 Default with No Opportunity to Cure

The Franchisee will be considered to be in default and the Franchisor may, subject to state law, at its option, terminate this Agreement immediately effective upon delivery to the Franchisee of written notice of termination, without affording the Franchisee any opportunity to cure the default, upon the occurrence of any of the events listed below:

(a) The Franchisee or any principal of the Franchisee fails, refuses or neglects to pay any monies owing to the Franchisor or its affiliates or suppliers within 5 days of demand for payment.

(b) The Franchisee or any officer, director, manager, shareholder, member, partner or key employee, representative, agent or independent contractor is convicted of a criminal offence or any other crime or offence that is reasonably likely, in the opinion of the Franchisor, to adversely affect the System, the Marks, the goodwill associated with them, or the Franchisor's interest in them.

(c) The Franchisee or any officer, shareholder, member, director, manager, partner, employee, agent or independent contractor discloses or divulges the contents of the Manual or other trade secrets or confidential information provided to the Franchisee by the Franchisor.

(d) An approved transfer is not completed within the designated time following the death or Incapacity of any person with any direct or indirect interest in the Franchised Business or in the Franchisee or upon the dissolution of a Franchisee that is a partnership, limited liability company or corporation, with a person approved by the Franchisor.

(e) An order is made or resolution passed for the winding-up, termination, dissolution or liquidation of the Franchisee.

(f) Any execution, seizure, attachment or similar process is issued against the Franchisee or any creditor of the Franchisee takes any action or proceeding whereby the business premises of the Franchised Business or any of the fixtures, furnishings or property on those premises is taken or seized, unless such execution, attachment or seizure is set aside, discharged or abandoned within 10 days after its commencement.

(g) The Franchisee attempts to make any bulk sale, sale of an enterprise or to remove any part of the fixtures, furnishings or inventory from the business premises of the Franchised Business other than in the normal course of business.

(h) The Lease or Sublease of the Location of the Franchised Business expires or is terminated for any reason whatsoever.

(i) The Franchisee becomes insolvent, or is unable to meet its obligations as they become due, or makes a general assignment for the benefit of creditors, or any of the assets of the Franchised Business are seized, taken over or foreclosed upon, or if an assignment in bankruptcy is filed by the Franchisee or a petition is filed against and consented to by the Franchisee, or if the Franchisee becomes a bankrupt, or proceedings for the appointment of a receiver or receiver/manager or other custodian (permanent or temporary) of the Franchisee or of the Franchised Business or any portion of the Franchised Business is appointed by any court or creditor of the Franchisee or the Franchised Business or if proceedings for a proposal to the creditors of the Franchisee or the Franchised Business under any federal, state or foreign law should be instituted by or against the Franchisee, or if Franchisee files a voluntary petition under any section or chapter of federal or state bankruptcy law or under any similar law or statute.

(j) The Franchisee abandons, threatens to abandon, surrenders or fails to carry on normal business operations at the Location for a period of two (2) consecutive days except where appropriate arrangements have been made for the on-going management of the Franchised Business, which arrangements have been pre- approved in writing by the Franchisor.

(k) Any direct or indirect legal or beneficial interest in this Agreement, the Franchisee, or any assets of the Franchised Business is or are transferred without full compliance with the requirements of this Agreement.

(l) The Franchisee purports to transfer any rights or obligations under this Agreement or any lease for the Location to any third party without the Franchisor's prior written consent, or otherwise contrary to the terms of this Agreement.

(m) The Franchisee knowingly maintains false books or records or submits any false statements, applications or reports to the Franchisor.

(n) The Franchisee engages in conduct that constitutes a misrepresentation or a fraudulent, deceptive or unlawful act or practice in connection with its sale of the services and products offered by the Franchised Business, or the Franchisor has reasonable grounds to believe that the Franchisee has engaged or will engage in such conduct.

(o) The Franchisee submits at any time during the term of this Agreement a report, financial statement, tax return, schedule or other information or supporting record which understates Gross Sales for any period by more than 3% not as a result of clerical error, or by reason of such clerical error, understates Gross Sales by more than 3% on more than 2 occasions in any 24 month period.

(p) The Franchisee submits any report, financial statement, tax return, schedule or other information or supporting records required under this Agreement, more than 5 days after the date for delivery as required on 2 or more occasions during the term of this Agreement.

(q) The Franchisee operates the Franchised Business in a manner that presents a health or safety hazard to its customers, employees or the public and such manner of operation continues uncorrected within 48 hours following notice to correct same from the Franchisor, the Head Landlord of the Location, or the applicable governmental authority is delivered to the Franchisee.

(r) The Franchisee receives 3 or more notices of default under this Agreement within an 12 month period during the term of this Agreement, regardless of whether such notices of default relate to the same or different defaults, or whether such defaults have been remedied by the Franchisee.

(s) If the continuance, in whole or in part, of the business contemplated by this Agreement in a normal, profitable manner is impaired by present or future legislative enactments or regulations, or by interpretations of any such legislation or regulations, or the actions of any civil or military authority, or acts of God, war, or civil disorders.

17.3 Default With Opportunity to Cure

Unless otherwise specified, the Franchisee will have 15 days after its receipt from the Franchisor of a written notice of default to remedy any default described in this section and provide evidence of compliance to the Franchisor, and the Franchisor has the ability to charge an administrative fee as set out in the Manual, as may be amended from time to time, which is currently $100.00 plus all applicable taxes, for each full or partial calendar day that the Franchisee fails to fully comply with all of the provisions of this Section 17.3, such charges to commence immediately on the day which the Franchisor delivers to the Franchisee a written notice advising of such breach(es), and such charges shall end on the day that such breach(es) is fully cured. If any such default is not cured within that time, this Agreement, at the Franchisor's option, will, subject to state law,

terminate without further notice to the Franchisee effective immediately upon the expiration of the 15 day period or other specified period, as applicable. The Franchisee will be in default for any failure to comply substantially with any of the requirements imposed by this Agreement, as it may from time to time be supplemented by updates to the Manual, or for any failure to carry out the terms of this Agreement in good faith. Such defaults will include, without limitation, the occurrence of any of the events listed below:

(a) The Franchisee, by act or omission, permits a continued violation in connection with the operation of the Franchised Business of any law, ordinance, rule or regulation of a governmental agency, and said violation continues for a period of 5 days after notification of non-compliance in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief from compliance.

(b) The Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated with them or the Franchisor's rights in them.

(c) The Franchisee engages in any business or markets any service or product under a name or mark which, in the Franchisor's opinion, is confusingly similar to the Marks.

(d) The Franchisee is unable to obtain, maintain or renew any license or permit required for the operation of the Location or the Franchised Business by any governmental authority, including but not limited to any liquor sales license, or if such license or permit is revoked or suspended, regardless of the cause or reason for such revocation or suspension.

(e) The Franchisee fails to maintain minimum working capital, as reasonably established from time to time by the Franchisor, in the Franchised Business.

(f) The Franchisee fails to operate the Location or the Franchised Business with the required number of fully-qualified personnel as prescribed in the Manual.

(g) The Franchisee fails to comply with its duties set out in this Agreement, or fails to perform any obligation owing to the Franchisor or to observe any covenant or agreement made by the Franchisee including non-payment of amounts owed, whether such obligation, covenant or agreement is set forth in this Agreement or in any other agreement with the Franchisor including, but not limited to, any other franchise agreement by and between the Franchisor and the Franchisee or any entity related to the Franchisor.

(h) The Franchisee fails to maintain and submit on time to the Franchisor all reports required pursuant to this Agreement, including but not limited to, financial statements, periodic and other reports of Gross Sales.

(i) The provisions for transfer by the Franchisee upon death or Incapacity are not strictly followed.

(j) The Franchisee and its employees fail to attend and successfully complete any mandatory training program.

(k) The Franchisee fails to maintain any of the standards or procedures or to fully and properly employ the System and Marks designated by the Franchisor in this Agreement, the Manual, any other franchise agreement between the Franchisor and the Franchisee or any other agreement between the parties, or otherwise in writing.

(l) The Franchisee fails to maintain and keep the Location and all equipment in good working order and repair.

(m) The Franchisor receives a number of complaints from customers respecting the Franchised Business which is greater than 10% above the average of complaints received with respect to all other Osmow's restaurants operated or franchised by the Franchisor for any 12 calendar month period, or if the Franchisor receives more than 5 of the same complaints or complaints of a similar nature from customers respecting the Franchised Business in any 12 calendar month period and the Franchisee does not remedy the circumstances giving rise to such complaints to the reasonable satisfaction of the Franchisor within 5 days of notification.

17.4 Cross Default

Subject to state law, any default by the Franchisee of any other agreement between the Franchisor and the Franchisee will be deemed a default under this Agreement, and any default by the Franchisee of this Agreement will be deemed a default under any and all other agreements between Franchisor and the Franchisee. If the nature of such default under any other agreement would have permitted the Franchisor to terminate this Agreement had said default occurred under this Agreement, the Franchisor will have the right to terminate this Agreement as if such default occurred under this Agreement. For purposes of this section, an agreement between the Franchisor or an affiliate of the Franchisor and the Franchisee or the Franchisee's partner, member, shareholder, manager, director, officer, or affiliate will be deemed an agreement between the Franchisor and the Franchisee. Also for the purposes of this section, an affiliate of the Franchisee includes (i) any individual who is related by blood or marriage to a shareholder, member or partner of the Franchisee, (ii) any corporation, limited liability company, partnership or other entity of whose shares, membership interests, partnership interests or other equity interest(s) are owned by a partner(s), member(s) or shareholder(s) or other equity interest holder(s) of the Franchisee or by any individual who is related by blood or marriage to such shareholder, member, partner or equity interest holder, (iii) any corporation, limited liability company, partnership or other entity in which the Franchisee owns any shares, membership interest, partnership interest or has any other ownership interest, either directly or indirectly, and (iv) any individual, corporation, limited liability company, partnership or other entity which owns shares, membership interests, partnership interests or any other ownership interest in the Franchisee, either directly or indirectly.

17.5 Termination without Prejudice to Other Rights

Any termination under any of the immediately preceding subsections of this Article 17 shall be without prejudice to any right (including any right of indemnity), remedy or relief vested in or to which the Franchisor may be entitled by reason of the default, breach or non-observance of any term, covenant, or obligation on the part of the Franchisee to be observed or performed, and which default, breach or non-observance occurred prior to such termination, all of which shall survive the termination. All moneys paid by the Franchisee to the Franchisor under this Agreement or

otherwise shall be retained by the Franchisor as consideration for the rights and benefits previously conferred on the Franchisee hereunder and as liquidated damages and not as a penalty. The foregoing remedy shall not exclude or limit any other remedy which the Franchisor may have at law or in equity by reason of the default, breach or non-observance by the Franchisee as provided above.

17.6 Remedies Cumulative

The Franchisor may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Franchisee, either by any provisions of this Agreement or by statute or the general common (or civil) law, all of which rights and remedies are intended to be cumulative and not alternative, and the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Franchisor by statute or the general common (or civil) law.

ARTICLE 18
FRANCHISEE'S OBLIGATIONS UPON TERMINATION

18.1 Franchisee's Obligations Upon Termination or Expiration

Upon termination or expiration, this Agreement will terminate immediately, and the Franchisee will observe and perform each and every one of the provisions set out below:

(a) The Franchisee will immediately cease to operate the Franchised Business and will not, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of the Franchised Business.

(b) The Franchisee will immediately and permanently cease all use of the Marks, including any colorable imitation thereof, in connection with any goods, services or business and, without restricting the generality of the foregoing, the Franchisee agrees not to use the word Osmow's, in any manner or form as a trade-mark, trade name, or otherwise in connection with any goods, services, or business.

(c) The Franchisee will immediately and permanently cease to use, in any manner whatsoever, any equipment, format, confidential method, program, literature, procedure and technique associated with the System, the name Osmow's, the Marks, and any forms, slogans, signs, symbols or devices associated with the System.

(d) At the option of the Franchisor, the Franchisee shall immediately remove all signs, displays, logos and other things which contain or display any of the Marks and deliver same to the Franchisor within three (3) days after receipt of the notice of termination, and the Franchisee shall make such modifications and alterations, both interior and exterior, as the Franchisor may reasonably require so as to remove any evidence of identification with the System.

(e) The Franchisee will take such action as may be necessary to cancel any business name or equivalent registration which contains the Marks or any other trade-mark or trade name of the Franchisor, and the Franchisee will furnish the Franchisor with evidence satisfactory to the Franchisor of compliance with this obligation within 15 days after termination or expiration of this

Agreement. If the Franchisee fails or refuses to do so, the Franchisor may, in the Franchisee's name, on the Franchisee's behalf and at the Franchisee's expense, execute any and all documents necessary to cause discontinuance of the name Osmow's or any related name used under this Agreement and the Franchisor is hereby irrevocably appointed by the Franchisee as its attorney to do so.

(f) In the event that this Agreement is terminated, the Franchisor may, at its option, grant other franchises and/or continue to provide services to customers at the Location.

(g) The Franchisee will within 3 days pay all sums owing to the Franchisor and its, affiliates and suppliers. In the event of termination for any default of the Franchisee or if the Franchisee wrongfully terminates this Agreement before its scheduled expiration date (which also will be considered a default by the Franchisee under this Agreement), such amounts will include all damages, costs and expenses, including lost profits and reasonable legal fees, incurred by the Franchisor as a result of the default, together with interest at the Interest Rate, which obligation will give rise to and remain, until paid in full, a lien in favor of the Franchisor against any and all of the personal property, machinery, fixtures, equipment and inventory owned by the Franchisee on the premises of the Franchised Business at the time of the default. If the Franchisee is then indebted to the Franchisor by way of loan, mortgage, arrears or otherwise, all such indebtedness and obligations will be accelerated and become immediately fully-due and payable.

(h) The Franchisee will pay to the Franchisor all of the Franchisor's damages, costs and expenses, including reasonable legal fees and costs, whether legal proceedings are commenced or not, incurred by the Franchisor in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement, whether incurred prior to or subsequent to the termination or expiration of this Agreement.

(i) The Franchisee will immediately turn over to the Franchisor all copies of all materials in the Franchisee's possession including all POS software, the Manual, all records, files, instructions, correspondence, agreements, disclosure statements and any and all other materials relating to the operation of the Franchised Business in the Franchisee's possession (all of which are acknowledged to be the Franchisor's property), and will not retain any copy or record of any of those materials, excepting only the Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which the Franchisee reasonably needs for compliance with any provision of law.

(j) The Franchisee agrees to peaceably and promptly vacate the Location and to remove its personal property from the Location upon the termination or expiration of the Franchise Agreement, the Sublease and/or the Lease for the Location. Any property not so removed will be considered abandoned. If the Franchisor exercises its right to take possession of the Location, then all leasehold improvements and personal property needed to operate the Franchised Business in the Location will remain with the Franchisor.

(k) The Franchisee will fully cooperate with any exercise by the Franchisor of its option to purchase the tangible assets of the Franchisee upon termination, such as any portion or all of the smallwares, furniture, equipment, uniforms, menu boards, and any other items, including

execution and delivery of all transfer documentation, and delivery of all tangible assets to be purchased.

(l) The Franchisee will promptly notify the appropriate telephone companies, internet service providers, domain name registrars, all telephone directory listing agencies, and any other appropriate service providers or companies of the termination or expiration of its right to use any telephone number or domain name and any regular, classified or other telephone directory or other listings, or email addresses associated with any Marks and will authorize the transfer of those numbers and listings to, or to the direction of, the Franchisor. The Franchisee agrees to execute updated letters of direction to any telephone company, domain name registrar, service providers, and telephone directory listing agencies directing termination and/or transfer of the Franchisee's right to use any telephone number, domain name, or email address associated with the Marks, which the Franchisee may hold until termination or expiration of this Agreement. The Franchisee acknowledges that as between the Franchisor and the Franchisee, the Franchisor has the right to and interest in all telephone numbers, domain names, directory listings, and email addresses associated with any Marks. The Franchisee authorizes the Franchisor, and hereby appoints the Franchisor and any officer of the Franchisor as its attorney, to direct the appropriate telephone company, domain name registrar, or service provider and all listing agencies to transfer all such listings to the Franchisor or its nominee upon termination of this Agreement.

(m) The Franchisee will do or cause to be done all matters or things as may be reasonably necessary to secure to the Franchisor the full right, use and enjoyment of all licenses and/or accreditation, or applications for licenses and accreditation in effect at the time of termination or expiration of this Agreement, including but not limited to any liquor sales license for the Franchised Business, and any contracts in effect or under negotiation at that time. Upon termination or expiration of this Agreement, the Franchisee will be deemed, at the Franchisor's option, to have assigned and/or transferred to the Franchisor any and all such licenses, accreditation, applications and contracts. For this purpose, the Franchisee irrevocably appoints the Franchisor and any officer of the Franchisor as its attorney to execute and deliver on its behalf any assignment or transfer or other documents required in order to complete the assignment and transfer of any such license, accreditation or contracts.

(n) The Franchisee will execute any legal documents that may be necessary to carry out any termination or transfer to the Franchisor or its nominee provided for in this Agreement and will furnish to the Franchisor, within 10 days after the effective date of termination, written evidence satisfactory to the Franchisor of the Franchisee's compliance with the obligations set out in this article.

(o) Other than as specifically set out in this article, the Franchisee will have no interest in the Franchised Business upon termination or expiration of this Agreement, provided that the Franchisee will continue to be bound by any obligation set out in this Agreement which is expressed or intended to survive the termination or expiration of this Agreement.

18.2 Goodwill

Upon termination or expiration of this Agreement, the Franchisee will receive no payment or adjustment whatsoever for any goodwill the Franchisee may have established either prior to or during its operation of the Franchised Business.

ARTICLE 19
ADDITIONAL REMEDIES

19.1 Remedies

No right or remedy conferred upon or reserved to the Franchisor by this Agreement is intended to be, nor will it be considered, exclusive of any other right or remedy under this Agreement or by law or equity provided or permitted, but each will be in addition to every other right or remedy.

19.2 No Liability

The Franchisor will not be responsible or otherwise liable for any injury, loss, or damage resulting from, occasioned to or suffered by any person or persons or to any property because of services or products sold or otherwise provided by it or its affiliates to the Franchisee.

19.3 Indemnification of the Franchisor

The Franchisee agrees, during and after the term of this Agreement, to indemnify and save the Franchisor, and the Franchisor's affiliates, and each of the Franchisor's and the Franchisor's affiliates' shareholders, directors, officers, employees, independent contractors, representatives and agents (the "Indemnified Persons") harmless from any and all liabilities, losses, suits, claims, demands, costs, fines and actions of any kind or nature whatsoever including reasonable legal fees and costs, whether legal proceedings are commenced or not, to which the Indemnified Persons will or may become liable for, or suffer by reason of:

(a) any breach, violation or non-performance or threatened breach, violation or non-performance on the part of the Franchisee or, if the Franchisee is a corporation, limited liability company or partnership, any of its directors, managers, officers, shareholders, members, partners, representatives, agents, independent contractors, servants or employees of:

(i) any term or condition of this Agreement;

(ii) any other agreement between the Franchisee and the Franchisor;

(iii) any lease or sublease of the business premises where the Franchised Business is located; or

(iv) any supply arrangement with any supplier to the Franchised Business; and

(v) the operation or cessation of operation of the Franchised Business by the Franchisee.

19.4 Franchisor May Cure Default

In addition to all other remedies granted in this Agreement, if the Franchisee defaults in the performance of any of its obligations or breaches any term or condition of this Agreement or any related agreement (including any failure to pay amounts invoiced by the Franchisor, affiliates of the Franchisor or suppliers of the Franchisee (or suppliers to the Franchisor of products or services of or for the direct or indirect benefit of the Franchisee) or any taxing authority in accordance with the requirements of Section 9.8, or payment of any indemnity pursuant to the terms of Section 19.3), the Franchisor may, at its sole option immediately or at any time thereafter, without waiving any claim for breach and without notice to the Franchisee, cure such default for the account of and on behalf of the Franchisee. The costs and expenses incurred by the Franchisor in curing any such default, plus an administrative fee equal to fifteen per cent (15%) of such costs and expenses, will be due and payable on demand.

19.5 Operation of the Franchised Business by the Franchisor

In order to prevent any interruption of the business of the Franchised Business or any injury to its goodwill and reputation that would cause harm to the Franchised Business and thereby lower its value, the Franchisee authorizes the Franchisor, and at the option of the Franchisor, to enter upon the Franchisee's business premises and operate and manage the Franchised Business in the event that:

(a) the Franchisee or any of the Franchisee's principals, shareholders, members or partners is absent or Incapacitated by reason of illness or death or any non- compliance with this Agreement and that the Franchisee is not, therefore, in the opinion of the Franchisor, able to carry on the normal operation of the Franchised Business; or

(b) upon the happening of some event which affects the Franchisee or any of the principals, shareholders, members, partners or employees of the Franchisee, which interferes with the normal operation of the Franchised Business; for so long as the Franchisor considers necessary and practical, and without waiver of any other rights or remedies the Franchisor may have under this Agreement. In the event that the Franchisor should operate the Franchised Business, the Franchisor will not be obligated to continue to do so and may in fact discontinue such operation at any time and without notice. All revenues from the operation of the Franchised Business during such period of operation by the Franchisor will be kept separate for the account of the Franchisee and all expenses, including reasonable compensation and expenses for the Franchisor's representative, will be charged to the Franchisee. If the Franchisor elects to temporarily operate the Franchised Business on behalf of the Franchisee, the Franchisee will indemnify and hold harmless the Franchisor from any loss or deficit suffered by the Franchisor as a result of its temporary operation of the Franchised Business, regardless of the cause, and from any and all claims, losses or damages of any nature whatsoever incurred by the Franchisor and its representatives during such operation.

19.6 Franchisor's Option to Purchase on Expiry or Termination

The Franchisor shall have an option (but no obligation) to purchase the Franchisee's interest in the tangible assets of the Franchised Business (including, but not limited to, all of Franchisee's right,

title and interest in the Location, all improvements, fixtures, furniture, equipment, products, supplies, client accounts, contract rights, and other business assets), free and clear of all liens, restrictions or encumbrances, exercisable by giving written notice thereof to Franchisee within 60 days after this Agreement expires or is terminated.

The purchase price payable by the Franchisor to the Franchisee for any assets purchased by the Franchisor pursuant to this Section 19.8 shall be determined as follows:

(a) the purchase price for useable inventory will be equal to its invoiced cost to the Franchisee (less shipping charges and taxes); and

(b) the purchase price for all other assets shall be equal to the net depreciated book value of each asset. In calculating the "net depreciated book value", all fixtures, equipment, furniture or other assets shall be deemed to have been depreciated by the maximum amount of depreciation allowed in accordance with the provisions of the Internal Revenue Code (United States). In no event shall any amount be payable for goodwill or a going concern value created by the Mark and the System, or for any goodwill the Franchisee may have established whether prior to or during its operation of the Franchised Business.

Following delivery of written notice by the Franchisor to the Franchisee of the Franchisor's intention to exercise its option under this section, the Franchisor or its designee will have the right to take possession of the Location and to carry on and develop the Franchised Business for the exclusive benefit of the Franchisor or its designee. The Franchisor shall immediately take an inventory of all goods and calculate the purchase price therefor pursuant to this Section 19.8. The Franchisee shall not be relieved of any of its obligations under this Agreement as a result of the Franchisor's exercise of its rights hereunder and the Franchisor shall not be liable for any debts, liabilities, obligations , losses, costs, or expenses of the Franchisee existing at the time the Franchisor commences use of any assets it intends to purchase, including without limitation, any debts, liabilities, or obligations to any employee or tax authority or to any creditor of the Franchisee for any goods or services purchased or supplied prior to the date the Franchisor commences use. The Franchisee and its shareholders, members, partners, directors, managers and officers acknowledge and agree that (i) in exercising its rights pursuant to this Section 19.8, the Franchisor is not and shall not be deemed to be enforcing any rights as creditor or secured creditor of the Franchisee or of any of its shareholders, members, partners, directors, managers or officers and (ii) all employees of the Franchisee shall be and remain employees of the Franchisee at all times provided that the Franchisor shall not be precluded from offering employment to any such individual(s). The Franchisor shall not, by virtue of exercising its rights hereunder, assume or be subject to any liabilities of the Franchisee to its employees, or as a related party or successor of the Franchisee including, without limitation, as employer, successor employer or joint or related employer.

If the Franchisor elects to purchase the Franchisee's interest, the Franchisee will also execute an assignment of the Lease, if applicable and if requested by the Franchisor. If the Franchisor elects to exercise its option to purchase provided in this section, it will have the right to set-off against any amount payable to the Franchisee: all amounts due from the Franchisee under this Agreement or any agreement between the Franchisee and the Franchisor relating to the Franchised Business; any and all amounts due by the Franchisee to or in respect of suppliers, taxes (real estate, state and

local sales tax, value added tax and other taxes), utilities, landlords or the Franchisor or any affiliate of the Franchisor in its capacity as sub-landlord. In the event the Franchisor exercises this option, the Franchisee will, upon presentation of payment for the assets being purchased, deliver a bill of sale with the usual covenants as to title, and comply with all applicable bulk sales laws. The purchase and sale contemplated by this section will be completed within 30 days of determination of the purchase price for the assets.

The Franchisor may exclude from the assets purchased hereunder cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not necessary (in function or quality) to the operation of the Franchised Business or that the Franchisor has not approved as meeting System standards, and the purchase price will reflect such exclusions. If the Franchisee fails or refuses to comply with its obligations under this Section during the option period, the Franchisor's option will be extended until 15 days after the Franchisee complies.

19.7 Right of Entry

Immediately upon termination or expiration of this Agreement, the Franchisor may enter upon, occupy and use, to the absolute exclusion of the Franchisee, all or any part of the Location and any equipment, improvements, fixtures, furnishings and property located in, on or about the Location and used in connection with the Franchised Business in the conduct of an Osmow's franchise free of charge. The Franchisor will have the right to take all such action as it, in its absolute discretion, deems necessary or desirable to carry out the rights granted to it by this Agreement. All revenues, monies, profits, benefits and advantages derived from the management and operation of the business throughout the period of occupation will be for the exclusive account of the Franchisor provided the Franchisor will pay and discharge all debts and liabilities incurred by it during the period of its conduct of the Franchised Business. In addition, the Franchisor may, but will not be obliged to, pay all claims owing by the Franchisee to any creditor of the Franchised Business and any amounts so paid will be charged to and repaid by the Franchisee to the Franchisor immediately upon demand and until repaid will bear interest at the Interest Rate. The Franchisor will have no obligation to retain any employees of the Franchised Business nor to honor any contractual commitments previously made by the Franchisee in connection with the Franchised Business and any liability with respect to such contractual commitments will be exclusively borne and paid by the Franchisee. If the Franchisor elects to retain any such employees, such employment will be pursuant to a new employment agreement between the Franchisor and such employee(s) and will commence their employment on the first business day in which the Franchisor carries on business from the Location. Any claim of such employee(s) for unpaid salary, vacation pay or other benefits arising from employment with the Franchisee will be the responsibility of and be paid by the Franchisee to the exclusion of the Franchisor. The right of the Franchisor to remain in occupation of the Location and to conduct the said business will continue until the expiry of the option period set out in Section 19.8 provided that if the Franchisor elects to exercise the option set out in Section 19.8 the Franchisor's right of occupation will not expire, and will continue throughout the period preceding the closing of such transaction. The occupation by the Franchisor of the Location as set out in this section will not be construed as an assignment of the lease for the Location by the Franchisee and the Franchisor will have no responsibility for payment of any rent or other charges owing under the lease except insofar as they relate to the period of its occupation of the Location.

19.8 Injunctive Relief

The Franchisee acknowledges that its Location is one of a number of such facilities and businesses using the Marks and System and that the failure on the part of the Franchisee to comply with any of the terms of this Agreement could cause irreparable damage to some or all of the other Locations franchised or operated by the Franchisor and to the Franchisor's business. Therefore, notwithstanding any other provisions in this Agreement, the Franchisee agrees that upon the happening of any event of default set out in Article 17, or in the event of a threatened breach by the Franchisee of any of the terms of this Agreement, the Franchisor will have the immediate right to secure a court order enjoining any such default or threatened breach. If this Agreement has been terminated or expired, the Franchisee may be enjoined from any continued operation of any Location licensed under this Agreement and/or the Franchised Business. This covenant will be independent and severable and will be enforceable notwithstanding any other rights or remedies that either party may have, including any provision of this Agreement relating to arbitration.

19.9 Set-Off by the Franchisor

Notwithstanding anything contained in this Agreement, upon the failure of the Franchisee to pay the Franchisor as and when due any amount of money provided for in this Agreement, the Franchisor will have the right at its option, to deduct any and all such amounts remaining unpaid from any moneys or credit held by the Franchisor for the account of the Franchisee.

19.10 No Set-Off by Franchisee

The payment and performance by the Franchisee of the fees and other obligations under this Agreement are absolute and unconditional, irrespective of any defense or any rights of set-off, or counterclaim that the Franchisee might otherwise have against the Franchisor. The Franchisee will pay, absolutely net, all of the fees due under this Agreement, free of any deductions and without abatement, diminution or set-off. Any defense or right of set-off or counterclaim must be brought by separate action. The Franchisor will not be bound by any restrictive endorsement on any payment made by the Franchisee. Upon receipt of any payment by the Franchisee, the Franchisor reserves the right to allocate such payment at its discretion, even if the Franchisee has designated the payment for a different purpose or account.

19.11 Charges for Late and N.S.F. Payments

All fees and payments and all amounts due for goods purchased by the Franchisee from time to time from the Franchisor or its affiliates and any other amounts owed to the Franchisor or its affiliates by the Franchisee pursuant to this Agreement or otherwise will bear interest after the due date and until paid in full at the Interest Rate, both before and after default, with interest on overdue interest at the Interest Rate. The acceptance of any payment will not be interpreted as a waiver by the Franchisor of its rights in respect of the default giving rise to such payment and will be without prejudice to the Franchisor's right to terminate this Agreement as a result of such default. In addition, the Franchisee agrees to pay an administrative fee of $125 plus all applicable taxes for each and every payment that the Franchisee's bank refuses to honor for any reason.

19.12 Security to the Franchisor

To secure payment and performance of any and all obligations owing by the Franchisee to the Franchisor, including payment of any amount owing by the Franchisee to the Franchisor for goods purchased by the Franchisee, the Franchisee agrees to provide, on request by the Franchisor, a general security agreement, in a form satisfactory to the Franchisor, in such of the inventory, equipment, leasehold improvements, accounts and other assets of the Franchised Business and in such amount or amounts and upon such terms as the Franchisor in its absolute discretion, determines advisable. Failure to provide such security within 10 days following the receipt by the Franchisee of a written request, specifying the nature and extent of the security required, will be considered to be a material default under this Agreement. Prior to commencement of business under this Agreement by the Franchisee, the Franchisee will sign and deliver to the Franchisor the general security agreement attached as Schedule 3 to this Agreement.

19.13 Legal Fees

In the event the Franchisor is made a party to any litigation or is threatened to be made a party to any litigation commenced by or against the Franchisee, and if the Franchisee has breached any of the terms and conditions of this Agreement or is otherwise found at fault to any extent in such litigation, then the Franchisee will indemnify and save the Franchisor harmless against any losses, damages or claims whatsoever arising from that litigation or the breach or default that gave rise to that litigation and will pay all costs and expenses including the full amount of any reasonable legal fees, accountants and expert witness fees, costs of investigation and travel and living expenses incurred or paid by the Franchisor in connection with such litigation.

ARTICLE 20
STATUS OF PARTIES

20.1 Independent Contractor

This Agreement does not create a fiduciary relationship. The Franchisee will be an independent contractor. Nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. The Franchisee will have the right to profit from its efforts, commensurate with its status as owner of the Franchised Business, and correspondingly will bear the risk of loss or failure that is characteristic of this status notwithstanding the affiliation with the System created by this Agreement.

20.2 Holding Out to Public

During the term of this Agreement, the Franchisee will hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a license from the Franchisor. The Franchisee agrees to take such affirmative action as may be necessary to do so, as the Franchisor may specify in the Manual or otherwise in writing.

20.3 No Liability

It is understood and agreed that nothing in this Agreement authorizes the Franchisee to make any contract, agreement, warranty or representation on the Franchisor's behalf, or to incur any debt or other obligation in the Franchisor's name, and that the Franchisor will in no event assume liability for, or be considered liable as a result of, any such action, or by reason of any act or omission of the Franchisee in its conduct of the Franchised Business or any claim or judgment against the Franchisee.

20.4 Identification

The Franchisee will conspicuously identify itself and the Franchised Business in all dealings with its customers, contractors, suppliers, public officials and others as an independent Franchisee of the Franchisor, and will place such notice of independent ownership on all forms, business cards, stationery, advertising, signs, checks, pay stubs and other materials and in such fashion as the Franchisor may, in its discretion, require from time to time in the Manual or otherwise.

ARTICLE 21
GENERAL PROVISIONS

21.1 Delegation by Franchisor

From time to time, the Franchisor will have the right to delegate the performance of any portion or all of its obligations and duties under this Agreement to third parties, whether the same are agents of the Franchisor or independent contractors with which the Franchisor has contracted to provide such services. The Franchisee agrees in advance to such delegation by the Franchisor of any portion or all of its obligations under this Agreement. The Franchisee acknowledges and agrees that the Franchisor may not be bound, and this Agreement cannot be modified, by any person without the Franchisor's prior written consent. The Franchisee acknowledges and agrees that any such delegation of the Franchisor's duties and obligations to any third party does not assign or confer any rights under this Agreement upon such person.

21.2 Amendments

No previous course of dealing or usage in the trade not specifically set forth in this Agreement will be admissible to explain, modify or contradict this Agreement. Any amendment or modification of this Agreement is invalid unless made in writing and signed by the Franchisor, the Franchisee and all Guarantors.

21.3 Further Assurances

Each of the parties agrees to sign and deliver such other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence and do and cause to be done and any other acts and things necessary or desirable in order to give full effect to this Agreement.

21.4 Notice

Any notice required or permitted to be given under this Agreement will be in writing and may be given by email, personal service, internationally recognized overnight courier or by registered or certified mail, addressed to the Franchisee or any one of the Guarantors at:

Notice to the Franchisor should be addressed to:

> Osmow's Inc.
> 407 Matheson Blvd., East Mississauga, Ontario L4Z 2H2
> Email: legal@osmows.com

The address or email address given for the delivery of a notice may be changed at any time by either party by written notice in accordance with this section. Any notice delivered personally will be considered to be received on the day delivered. Any notice delivered on a business day prior to 5pm by e-mail will be considered to be received on the day delivered. Any notice delivered on a business day at or after 5pm by e-mail will be considered to be received the business day immediately following the day delivered. Any notice sent by registered or certified mail will be considered to be received on the 5th business day following the date of mailing. Any notice sent by internationally recognized overnight courier will be considered to be received on the next business day following the date of dispatch.

21.5 Written Consent

Whenever this Agreement requires the prior approval or consent of the Franchisor, the Franchisee will make a timely written request to the Franchisor for such approval or consent, and such approval or consent will be obtained in writing. The Franchisor may grant or deny its approval or consent in its sole, absolute and unfettered discretion, with or without reason or consideration, subject to applicable law.

21.6 No Waiver

No failure of the Franchisor to execute any power reserved to it by this Agreement, or to insist upon strict compliance by the Franchisee with any obligation or condition of this Agreement, and no custom or practice of the parties that differs from the terms of this Agreement, will constitute a waiver of the Franchisor's right to demand exact compliance with any of the terms of this Agreement. Waiver by the Franchisor of any particular default by the Franchisee will not affect or impair the Franchisor's rights with respect to any subsequent default of the same, similar or different nature, nor will any delay, forbearance or omission of the Franchisor to exercise any power or right arising out of any breach or default by the Franchisee of any of the terms, provisions or covenants, affect or impair the Franchisor's right to exercise any of its powers or rights, nor will such constitute a waiver by the Franchisor of any right under this Agreement, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by the Franchisor of any payments due to it under this Agreement will not be considered to be a waiver by the Franchisor of any preceding breach of the Franchisee of any terms, covenants or conditions of this Agreement.

21.7 Uncontrollable Circumstances

Delays in the performance of any duties under this Agreement that are not within the reasonable control of the parties due to fire, flood, natural disaster, act of God, governmental acts or orders or civil disorders including strikes (collectively, "Catastrophic Events") will not cause a default under this Agreement and the other party will extend the time for performance for the period of such delay or for such other reasonable period of time as may reasonably be required, unless such Catastrophic Event permanently impairs the continuance, in whole or in part, of the business contemplated by this Agreement in a normal, profitable manner, in which case Section 17.2(s) of this Agreement shall apply. However, the Catastrophic Events shall not excuse the payment of amounts owed by the Franchisee hereunder.

21.8 Governing Law

Subject to the Franchisor's rights under federal trademark laws and the parties' rights under the Federal Arbitration Act, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the State of Delaware without regard to principles of conflicts of law, except that no Delaware statute or regulation will apply or will give rise to any right or claim except to the extent that the Franchisee is conducting business in the State of Delaware and such statute or regulation would apply to this Agreement by its own terms in the absence of any choice of law provision. Franchisee expressly waives any rights or protections it has or may have under any statute or law of any other state to the fullest extent permitted by law.

21.9 Limitation of Claims

The Franchisee agrees not to bring any claim asserting that any of the Marks are generic or otherwise invalid. The Franchisee agrees that its sole recourse for claims arising between the parties will be against the Franchisor or its successors and assigns. No party will be entitled to an award of punitive or exemplary damages, except to the extent that such damages were awarded against a party in favor of a third party. No previous course of dealing will be admissible to explain, modify, or contradict the terms of this Agreement.

21.10 Mediation

Any dispute, controversy or claim arising under, out of, or relating to, the relationship of the parties, the Franchised Business, or to this Agreement and any subsequent amendment of this Agreement including, without limitation, its formation, validity, binding effect, interpretation, performance, enforceability, breach or termination, as well as non-contractual claims (collectively, a "Dispute"), shall be submitted to non-binding mediation before pursuing any other proceedings. Any party to the dispute may serve notice on the others of its desire to resolve a particular dispute by mediation. The mediator shall be appointed by the Franchisor selected from the ADR Chambers roster. The mediation will be held in Toronto, Ontario. The costs of the mediator shall be shared equally by the parties. The parties agree to participate in mediation for a minimum of 3 hours. If the dispute has not been resolved through the mediation proceedings, any party may terminate the mediation and proceed to arbitration as set out below.

21.11 Arbitration and Litigation

Subject to the mediation provisions set out above, if any Dispute is not resolved through mediation in accordance with Section 21.10 hereof or otherwise, the Dispute shall be determined by final and binding arbitration, to the exclusion of the courts (with the exception of injunctive and certain other relief that may be sought by the Franchisor as described below), administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The Federal Arbitration Act, not state law, governs the arbitration proceedings, as well as the scope, validity, and enforceability of the arbitration clause.

The Dispute shall be determined by one arbitrator. The arbitrator shall be mutually agreed upon by the Franchisor and the Franchisee and must declare himself or herself to be generally conversant with respect to franchising in the United States. The parties expressly agree to confer upon the arbitrator the powers to fill gaps, cure contractual omissions and to perform all other activities which he or she may deem necessary and/or opportune. The arbitration will be held in Wilmington, Delaware. The decision arrived at by the arbitrator shall be final and binding and no appeal shall lie therefrom, even if allowed by the Comprehensive Arbitration Rules and Procedures. The award of the arbitrator shall be the sole and exclusive remedy among the parties regarding any claims and counter-claims presented to the arbitrator. The parties undertake to fully and punctually abide by the award rendered by the arbitrator, failing which judgment upon the award or any other appropriate procedures may be entered or sought in any court having jurisdiction thereof to secure enforcement of said award. The final award will be payable in the lawful currency of the United States without deduction or offset and costs, fees or taxes incidental to the enforcement of the arbitration award shall be charged in accordance with the decision of the arbitrator against a party resisting enforcement. Payment of the award including interest from the date of breach and violation shall be made in accordance with the relevant provisions of this Agreement. This Section constitutes an arbitration agreement between the parties. The costs of the arbitrator shall be shared equally by the parties.

The parties will keep confidential all matters relating to or arising out of the arbitration and the arbitration award, except as necessary to comply with applicable law. Notwithstanding anything in this agreement to the contrary, the Franchisor may seek a preliminary or final remedy, including, but without limitation, injunctive relief, an order for payment of any monies due and owing by the Franchisee, an order for recovery or delivery up of possession, or for specific performance, or similar relief, from any court of competent jurisdiction, as may be necessary in the Franchisor's sole judgment to protect its trademarks or other property rights, or to enforce the restrictive covenants herein, or to enforce its contractual rights hereunder in the event of any breach hereof, or in order to protect against actual or threatened conduct that on balance would cause or be likely to cause loss or damage if allowed to continue pending completion of a mediation or arbitration proceeding. Any litigation initiated by the Franchisor to seek such relief may be brought in any court having competent jurisdiction no matter where located. Any action commenced following a determination by the arbitrator that the requirement to arbitrate is unenforceable, shall be brought in a court of competent jurisdiction situated in Wilmington, Delaware. All other matters must be arbitrated. WITH RESPECT TO ANY PERMITTED LITIGATION, THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY, EXCEPT WHERE WAIVER IS PROHIBITED BY APPLICABLE FEDERAL OR STATE

LAW. The Franchisee and its representatives[1] will arbitrate or litigate each dispute with the Franchisor and its representatives on an individual basis. The Franchisee and its representatives will not consolidate a dispute in any arbitration or litigation with a claim by any other licensee, franchisee, or other individual, or entity. The Franchisee and its representatives knowingly and voluntarily agrees to waive their right to participate in any class action or mass action proceedings.

21.12 Counterparts

This Agreement may be signed and delivered in counterparts, each of which will be considered to be an original, and all of which together will constitute one and the same instrument.

21.13 Electronic Execution

An executed copy of this Agreement (or any portion of this Agreement) may be delivered by any of the parties by facsimile, electrical, digital, magnetic, optical, electromagnetic, or similar capability regardless of the medium of transmission (any such medium is referred to in this and the following section as "electronic"), and such delivery will be effective and binding upon such party, and will not in any way diminish or affect the legal effectiveness, validity or enforceability of this Agreement. Any party delivering this Agreement by electronic means will immediately deliver a copy of this Agreement bearing original signatures within a reasonable period of time after electronic transmission to each of the other parties to this Agreement.

21.14 Electronic Storage

The Franchisee acknowledges and agrees that the Franchisor may create an electronic record of any or all agreements, correspondence or other communication between them or involving third parties, and that the Franchisor may thereafter dispose of or destroy the original of any such document or record. Any such electronic record will be inscribed on a tangible medium or stored in an electronic or other medium and be retrievable in perceivable form, and will be maintained in and readable by hardware and software generally available. The Franchisee agrees that, notwithstanding any statute, regulation or other rule of law to the contrary, any such electronic version of this or any other agreement or correspondence between the parties will have the same legal effect, validity and enforceability as an original of any such document, even if the original of such document has been disposed of or intentionally destroyed.

21.15 Entire Agreement

This Agreement, when fully executed, will supersede any and all prior and existing agreements, understandings, negotiations and discussions, either oral or in writing, between the parties with respect to the subject matter of this Agreement. Except as specifically set out in this Agreement, there are no representations, warranties, undertakings, provisos, inducements, covenants or agreements whether direct, indirect, collateral, express or implied made by the Franchisor to the Franchisee. Nothing in this, or in any related agreement, however, is intended to disclaim the

[1] NTD: We should consider defining "representatives" and using throughout the FA

representations that the Franchisor made in the franchise disclosure document that the Franchisor furnished to the Franchisee.

21.16 Disclaimer

The Franchisee acknowledges that he has conducted an independent investigation of the Franchised Business, and recognizes that the business venture contemplated by this Agreement is speculative and involves business risks and that its success will be largely dependent upon the abilities of the Franchisee. The Franchisor expressly disclaims the making of, and the Franchisee acknowledges that he has not received, any representation, warranty, promise, inducement or guarantee, express or implied, oral or written, as to the potential volume, profits or success of the business venture contemplated by this Agreement or otherwise with respect to the subject matter of this Agreement. Nothing in this, or in any related agreement, however, is intended to disclaim the representations that the Franchisor made in the franchise disclosure document that the Franchisor furnished to the Franchisee.

21.17 Risk and Responsibility

The Franchisee acknowledges that the financial, business and economic success of the Franchisee's Franchised Business will be primarily dependent upon the personal efforts of the Franchisee, its management and its employees, and on economic conditions in the area where the Franchised Business is located and economic conditions in general.

21.18 Investigation and Voluntary Agreement

The Franchisee acknowledges that he has received, read and understood this Agreement. The Franchisee acknowledges that the Franchisor has provided the Franchisee ample time and opportunity to consult with advisors of his own choosing about the potential benefits and risks of entering into this Agreement. The Franchisee is entering into this Agreement voluntarily, and without threat, duress or compulsion whatsoever.

21.19 Deliveries

The Franchisee acknowledges that it received the franchise disclosure document required by applicable franchise law, at least 14 days prior to the date on which this Agreement was executed by the Franchisee or the date the Franchisee made any payment to the Franchisor or its affiliate in connection with the proposed franchise sale (or if governed by the franchise law of the State of New York, at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship, or if governed by the franchise law of the State of Michigan, at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first).

THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY

IN WITNESS WHEREOF this Agreement has been executed on the date first written above.

Authorized Representative of Osmow's Inc.:

By: _____

Title: _____

Date _____

Authorized Representative Franchisee:

By: _____

Title: _____

Date _____

SCHEDULE 1
LOCATION

The municipal address of the Location is:

SCHEDULE 2
PERSONAL GUARANTEE AND POSTPONEMENT

THIS AGREEMENT is made the ___ day of _____2021.

B E T W E E N :

_____

Residing in the State of _____,

(collectively, the **"Guarantor"**)

- and -

Osmow's FZ CORP.,

a corporation incorporated under the laws of the State of Delaware, (the **"Franchisor"**)

WHEREAS by a franchise agreement made as of the date hereof (which franchise agreement, with any renewals thereof or supplements or additions thereto, all as amended or modified from time to time, are referred to as the "**Franchise Agreement**"), the Franchisor granted to_____ a _____ incorporated or formed under the laws of the State of _____ (the "**Franchisee**"), the licence to use the System and the Marks (as defined in the Franchise Agreement) in connection with the operation of an "Osmow's" franchise (the "**Franchised Business**") at _____ (the "**Location**");

AND WHEREAS to induce the Franchisor to enter into the Franchise Agreement, the Guarantor agreed to execute this guarantee and postponement (the "**Agreement**");

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

1. **Obligations.** For purposes of this Agreement, all the terms, covenants, conditions and provisions contained in the Franchise Agreement to be observed and performed by the Franchisee (as defined in the Franchise Agreement) including, without limitation, the payment of all fees, royalties, advertising fees, principal and interest and other amounts expressed to be payable on the part of the Franchisee in the Franchise Agreement, are referred to collectively as the "**Obligations**".

2. **Guarantee.** The Guarantor hereby unconditionally guarantees, as a primary obligor, to the Franchisor, and its respective successors and assigns, due, prompt and complete performance of the Obligations including without limitation, punctual payment of all present and future debts, liabilities, fees, royalties, advertising fees, principal and interest and other amounts, however incurred, payable by the Franchisee to the Franchisor.

3. **Performance by Guarantor.** The Guarantor shall render due, prompt and complete performance of the Obligations including, without limitation, punctual payment of all present and future debts, liabilities, royalties, advertising fees, rental, principal and interest, and other amounts, however incurred, payable by the Franchisee to the Franchisor, upon demand if the Franchisee fails or refuses punctually and fully to render performance of same. The Guarantor shall indemnify and save harmless the Franchisor from any and all losses, costs (including, without limitation, legal costs) or damages, however caused, arising in any manner out of or in connection with such failure or refusal to render such performance.

4. **Waiver of Guarantor.** This Agreement is absolute, unconditional and irrevocable and the obligations of the Guarantor hereunder shall not be released, discharged, mitigated, diminished, impaired or otherwise affected by:

(a) any extensions of time, indulgences or modifications including without limitation, the acceptance of any partial payment or any compromise or release which the Franchisor may extend or make with the Franchisee in respect of the performance of any of the Obligations by the Franchisee;

(b) any waiver by or failure of the Franchisor to enforce any of the Obligations; or

(c) any assignment of the Franchise Agreement by any trustee, receiver or liquidator of the Franchisee, or any consent of the Franchisor to any such assignment.

5. **Notice of Default.** The Guarantor hereby expressly waives notice of the acceptance of this Agreement and all notice of non-payment, non-performance, or non-observance on the part of the Franchisee of the Obligations. The Guarantor hereby further expressly waives notice of demand for the performance of any of the Obligations, protest, notice of protest and notice of default and all other notices and any legal or equitable defences to which the Guarantor may be entitled. No document, proof or any other thing or action is necessary as a condition of the Guarantor honoring its obligations hereunder.

6. **Initial Recourse Against Guarantor.** In the event of any breach or default of or failure to comply with the Obligations fully or any breach or default hereunder by the Franchisee, the Guarantor waives any rights as a condition of liability to require the Franchisor to:

(a) proceed against the Franchisee or any other person or pursue any rights or remedies with respect to the Franchise Agreement;

(b) proceed against or exhaust any security of the Franchisee or any other person held by the Franchisor; or

(c) pursue any other remedy whatsoever in the Franchisor's power.

7. **Release of Franchisee.** The Franchisor shall have the right to enforce this Agreement regardless of the acceptance of additional security from the Franchisee and regardless of the release or discharge of the Franchisee by the Franchisor or by others or by operation of any

law. Without limiting the generality of the foregoing, the liability under this Agreement shall not be deemed to have been waived, released, discharged, impaired or affected by reason of the release or discharge of the Franchisee in any receivership, bankruptcy, winding up or other creditor's proceedings or the rejection, disaffirmation or disclaimer of the Franchise Agreement or General Security Agreement in any proceeding, and shall continue with respect to the periods prior thereto and thereafter, for and with respect to the later of the term contemplated and expressed in the Franchise Agreement.

8. **Postponement and Assignment of Debts.** All debts and claims which the Guarantor now has or hereafter may have and all rights of subrogation of the Guarantor against the Franchisee shall be for the security of the Franchisor, and are hereby assigned to the Franchisor and postponed to the Obligations.

9. **Further Proceedings.** No action or proceeding brought or instituted under this Agreement and no recovery in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Agreement by reason of any further default or defaults hereunder and/or in the performance of the Obligations.

10. **Representations and Warranties.** The Guarantor and the Franchisee hereby represent and warrant to the Franchisor that:

(a) the Guarantor is, and throughout the term of the Franchise Agreement will remain, the legal and beneficial owner of all issued and outstanding voting shares, of each class, of the Franchisee;

(b) the Franchisee and its directors and shareholders have restricted the transfer of shares of the Franchisee so that the Guarantor shall continuously own all issued and outstanding voting shares of the Franchisee, and such restrictions are noted and will remain noted on all share certificates of the Franchisee; and

(c) the Franchisee in its Articles of Incorporation or Formation or in its operating agreement, limited liability company agreement or partnership agreement has provided in effect that its objects are, or business is, confined exclusively to the operation of an "Osmow's" restaurant franchise at the Location.

11. **Entire Agreement.** This Agreement, and all documents incorporated by reference, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. Except as provided herein there are no oral or written conditions, representations, warranties, undertakings or agreements whether direct, indirect or collateral, expressed or implied made by the Franchisor to the Guarantor or Franchisee. No modification of this Agreement shall be effective unless the same be in writing and signed by all parties hereto.

12. **Binding Effect.** Without limiting the generality of any of the foregoing, this Agreement shall bind the Guarantor as though the Guarantor were the Franchisee named in the Franchise Agreement.

13. **Successors and Assigns.** All of the terms, representations, warranties, conditions,

covenants and guarantees of this Agreement shall extend to and be binding upon the Guarantor and the Franchisee and their respective heirs, executors, administrators, successors and permitted assigns, and shall enure to the benefit of and may be enforced by the Franchisor and its successors and assigns.

14. **Headings.** The insertion of headings and the division of this Agreement into sections are for the convenience of reference only and shall not affect the interpretation hereof.

15. **Severability of Provisions.** The invalidity or unenforceability of any provision of this Agreement or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein contained and any such invalid provision or covenant shall be deemed to be severable.

16. **Joint and Several Obligations.** If there is more than one person named as the Guarantor, they shall be bound, jointly and severally, by the terms, covenants, and agreements contained on the part of the Guarantor under this Agreement and any notice required or permitted by the terms of this Agreement may be given by or to any one of them and shall have the same force and effect as if given by or to all of them.

17. **Applicable Law.** Subject to the Franchisor's rights under federal trademark laws and the parties' rights under the Federal Arbitration Act, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the State of Delaware without regard to principles of conflicts of law, except that no Delaware statute or regulation will apply or will give rise to any right or claim except to the extent that the Franchisee is conducting business in the State of Delaware and such statute or regulation would apply to this Agreement by its own terms in the absence of any choice of law provision. Franchisee expressly waives any rights or protections it has or may have under any statute or law of any other state to the fullest extent permitted by law.

18. **Dispute Resolution**. Any dispute, controversy or claim arising under, out of, or relating to, the relationship of the parties, the franchised business, or to this Agreement and any subsequent amendment of this Agreement including, without limitation, its formation, validity, binding effect, interpretation, performance, enforceability, breach or termination, as well as non-contractual claims (collectively, a "**Dispute**"), shall be subject to the dispute resolution provisions under Section 21.10 and 21.11 of the Franchise Agreement.

19. **Further Assurances.** The parties agree to do or cause to be done all acts or things necessary to implement and carry into effect this Agreement to its full extent.

IN WITNESS WHEREOF the parties have executed this agreement as of the date first above written

Osmow's FZ CORP.

Per: _____
Ben Osmow, CEO
I have authority to bind the Corporation.

GUARANTOR:

SIGNED AND DELIVERED in the presence of:)
)
)
)
WITNESS:)

SCHEDULE 3
GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of the ___ day of _____, 20__, between _____, with an address at _____. _____ ("Debtor") and **Osmow's FZ CORP.**, a Delaware corporation with an address at 407 Matheson Blvd East, Mississauga, Ontario, Canada, L4Z 2H2 ("Secured Party").

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Debtor agrees with Secured Party as follows:

1. Definitions.

(a) Collateral. "Collateral" means all of the following assets, wherever located, that are now owned or hereafter acquired by Debtor or in or to which Debtor now has or hereafter acquires any right, title or interest:

(i) Accounts;

(ii) Chattel Paper;

(iii) Inventory;

(iv) Equipment;

(v) Fixtures;

(vi) Instruments, including Promissory Notes;

(vii) Investment Property;

(viii) Documents;

(ix) Deposit Accounts;

(x) Letter-of-Credit Rights;

(xi) any Commercial Tort Claim described in the Schedule;

(xii) General Intangibles, including patents, trademarks, copyrights and other intellectual property;

(xiii) Supporting Obligations;

(xiv) money and other personal property; and

(xv) to the extent not listed above as original collateral, Proceeds and products of the foregoing.

(b) *Event of Default.* An "Event of Default" occurs or exists if:

(i) Debtor or any Third Party fails to pay when due any of the Obligations requiring the payment of any amount and the failure continues for 10 days;

(ii) Debtor or any Third Party fails to perform or comply with any of the Obligations (other than those requiring the payment of any amount) when or as required and the failure continues for 10 days after the earlier of (A) Debtor's knowledge of the failure or (B) Secured Party's delivery to Debtor of written notice of the failure;

(iii) Any default or event of default, for purposes of or as defined in any document evidencing, guaranteeing or securing all or any portion of the Obligations or any obligations owing to any affiliate of Secured Party, occurs or exists after giving effect to any applicable cure or grace period;

(iv) Any representation or warranty contained in this Agreement, in any financial statement delivered to Secured Party at any time by or on behalf of Debtor or in any document evidencing, guaranteeing or securing any of the Obligations is incorrect or misleading in any material respect;

(v) Debtor transfers or disposes of any of the Collateral, except as expressly permitted by this Agreement;

(vi) Debtor is dissolved, ceases to exist, makes any bulk sale, becomes insolvent (however evidenced), generally fails to pay its debts as they become due, fails to pay, withhold or collect any tax as required by applicable law, suspends or ceases its present business or has entered, served, filed or recorded against it or against any of its assets any judgment, lien, attachment, execution or levy;

(vii) Debtor or any Third Party has any receiver, trustee, custodian or similar Person appointed for it or any of its assets, makes any assignment for the benefit of creditors or commences or has commenced against it any case or other proceeding under any bankruptcy, insolvency or similar law;

(viii) Debtor fails to comply with, or becomes subject to any administrative or judicial proceeding under, any applicable (i) hazardous waste or environmental law, (ii) asset forfeiture or similar law which can result in the forfeiture of property or (iii) other law, and such noncompliance with any such law described in (i), (ii) or (iii) has or may have any significant effect on Debtor's business or the Collateral;

(ix) Any Third Party who is an individual dies or is incompetent; or

(x) Secured Party deems itself insecure with respect to the Obligations or is of the opinion that the Collateral is not or may not be sufficient or has decreased or may decrease in value.

(c) *Obligations*. "Obligations" means:

(i) all of Debtor's present and future obligations to Secured Party, including all such obligations under this Agreement and any loan agreement, promissory note, sublease or franchise or other agreement;

(ii) all amounts that Secured Party may advance or spend at any time for the maintenance or preservation of any of the Collateral and (B) all other expenditures that Secured Party may make at any time under the provisions of this Agreement or for the benefit of Debtor;

(iii) all amounts and other obligations owed or required to be performed or complied with at any time under any replacements, modifications, renewals or extensions of any of the foregoing obligations; and

(iv) all of the foregoing obligations that arise after the filing of a petition by or against Debtor under any bankruptcy, insolvency or similar law, even if the obligations do not accrue because of the automatic stay under Bankruptcy Code § 362 or otherwise.

(d) *Third Party*. "Third Party" means any guarantor, partner or other Person liable for, or who or that owns or has any interest in any asset that secures, all or any portion of the Obligations.

(e) *Permitted Lien.* "Permitted Lien" means any security interest or other lien completely and accurately described in the Schedule.

(f) *Person*. "Person" means (i) any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated association, government or political subdivision, (ii) any court, agency or other governmental body or (iii) any other entity, body, organization or group.

(g) *Schedule*. "Schedule" means the Schedule attached to and made a part of this Agreement.

(h) *UCC*. Any capitalized or other term used in the Uniform Commercial Code ("UCC") and not defined in this Agreement has the meaning given to the term in the UCC as in effect from time to time in the State of Delaware.

2. **Grant of Security Interest.** Debtor grants to Secured Party a continuing security interest in the Collateral to secure the payment and performance of the Obligations.

3. **Perfection of Security Interests.**

(a) Filing of Financing Statements. Debtor authorizes Secured Party to file one or more financing statements describing the Collateral and, without limiting the foregoing, authorizes Secured Party to use terms such as "All assets" or "All personal property and fixtures" to describe the Collateral.

(b) Possession.

(i) Debtor will maintain possession of the Collateral, except where expressly otherwise provided in this Agreement.

(ii) Where any of the Collateral is in the possession of another Person, or located on premises leased and not owned by Debtor, Debtor will join with Secured Party in notifying the Person or the landlord of Secured Party's security interest and will obtain, upon request by Secured Party, a warehouseman waiver, a bailee waiver or a landlord waiver, as appropriate, in form and substance satisfactory to Secured Party.

(c) *Control Agreements.* Debtor will, upon request of Secured Party, obtain a control agreement in form and substance satisfactory to Secured Party with respect to any of the Collateral consisting of Deposit Accounts, Investment Property, Letter-of-Credit Rights or Electronic Chattel Paper.

(d) *Marking of Chattel Paper.* Debtor will not create any Chattel Paper without placing a legend on the Chattel Paper acceptable to Secured Party indicating that Secured Party has a security interest in the Chattel Paper.

4. **Covenants and Rights Concerning the Collateral.**

(a) *Inspection and Verification.* Secured Party may inspect any of the Collateral in Debtor's possession, at any time upon reasonable notice. Secured Party may verify any of the Collateral not in Debtor's possession in any manner or through any medium, whether directly with any Person obligated with respect thereto or in the name of Debtor or otherwise.

(b) *Taxes; Defense of Collateral.* Debtor will (i) before the end of any applicable grace period, pay each tax, assessment, fee and charge imposed by any government or political subdivision upon any of the Collateral or the acquisition, ownership, possession, use, operation or sale or other disposition thereof and (ii) defend the Collateral against each demand, claim, counterclaim, setoff and defense asserted by any Person.

(c) Obligations Relating to Collateral.

(i) *Risk of Loss.* Debtor has the risk of loss of the Collateral.

(ii) *No Collection Obligation.* Secured Party has no duty to collect any income accruing on the Collateral or to preserve any rights relating to the Collateral.

(iii) *No Assignment.* This Agreement does not constitute any assignment by Debtor to Secured Party of any obligation of Debtor relating to any of the Collateral and Debtor will at all times remain obligated to perform each such obligation.

(d) *No Disposition of Collateral.* Secured Party does not authorize Debtor to, and Debtor will not:

(i) make any sale, lease or other disposition of any of the Collateral, except Inventory in the ordinary course of business;

(ii) license any of the Collateral;

(iii) modify, compromise, cancel, subordinate or waive any right relating to any of the Collateral; or

(iv) grant any security interest in or other lien upon any of the Collateral except in favor of Secured Party or any Permitted Lien.

(e) *Purchase Money Security Interests.* To the extent the Obligations are used by Debtor to purchase any of the Collateral, Debtor's repayment of the Obligations will apply on a first-in-first-out basis so that the portion of the Obligations used to purchase a particular item of the Collateral will be paid in the chronological order Debtor purchased the Collateral.

(f) *No Installation.* Debtor will prevent any Goods included in the Collateral from being affixed to or installed in or on any real property or any Goods not included in the Collateral.

(g) *Treatment of Collateral.* Debtor will maintain all Goods included in the Collateral in good condition except for ordinary wear and tear.

(h) Debtor's Other Covenants. Debtor:

(i) will preserve its existence and not, in one transaction or a series of related transactions, merge into or consolidate with any other Person, or sell or otherwise transfer all or substantially all of its assets;

(ii) will not change the state of its incorporation or organization;

(iii) will not change the location of any of the Collateral;

(iv) will not change its legal name;

(v) will conduct its business and use and maintain the Collateral in compliance with all applicable laws;

(vi) will maintain all-risk property insurance reasonably satisfactory to Secured Party, naming Secured Party as lender's loss payee or the equivalent and provide evidence of such insurance to Secured Party;

(vii) will promptly notify Secured Party of (i) any information required to at all times keep each representation and warranty contained in Section 5(g) hereof complete and accurate in all respects, (ii) any loss, theft or destruction of or damage to, or any demand, claim, counterclaim, setoff or defense affecting, any of the Collateral and (iii) the occurrence or existence of any Event of Default; and

(viii) will comply with any additional covenants set forth in the Schedule.

5. **Debtor's Representations and Warranties.** Debtor represents and warrants that:

(a) *Authority*. The execution, delivery to Secured Party and performance of this Agreement by Debtor (i) do not and will not violate applicable law, any judgment or order of any court, agency or other governmental body by which Debtor is bound or, if Debtor is not an individual, any certificate or articles of incorporation or organization, by-laws, operating or partnership agreement or other charter, organizational or other governing document of Debtor or any resolution or other action of record of any shareholders, members, directors or managers of Debtor, (ii) do not and will not violate or constitute any default under any agreement, instrument or other document by which Debtor is bound, (iii) if Debtor is not an individual, are and will be in furtherance of the purposes and within the power and authority of Debtor and (iv) do not and will not require any authorization of, notice to or other act by or relating to any Person (including, but not limited to, if Debtor is not an individual, any shareholder, member, director or manager of Debtor) that has not been duly obtained, given or done and is not in full force and effect.

(b) Location, State of Organization and Name of Debtor. Debtor's:

(j) chief executive office is located at the address in the state identified in the Schedule (the "Chief Executive Office State");

(ii) state of incorporation or organization is the state identified in the Schedule (the "Debtor State");

(iii) organizational number (if any) and entity type are identified in the Schedule; and

(iv) exact legal name is as set forth in the first paragraph of this Agreement.

(c) *Title to and Transfer of Collateral.* It has rights in or the power to transfer the Collateral and its title to the Collateral is free of all adverse claims, liens, security interests and restrictions on transfer or pledge except as created by this Agreement or for any Permitted Lien.

(d) *Location of Collateral.* All of the Collateral consisting of Goods, including Inventory, Equipment and Fixtures, is located solely at the locations listed in the Schedule.

Fixtures. The name and address of each record owner of real estate where any of the Collateral consisting of Fixtures is located are identified in the Schedule.

(e) *Genuineness*. Each Account, Chattel Paper, Instrument, Document, Deposit Account, General Intangible and item of Investment Property included in the Collateral is or, if not now existing, will be genuine, in all respects what it purports to be and enforceable in

accordance with its terms against each Person obligated with respect thereto, subject to no demand, claim, counterclaim, setoff or defense.

(f) *Other Collateral.* The Schedule contains a complete and accurate description of all Chattel Paper, Instruments, Investment Property, Deposit Accounts, Letter-of-Credit Rights, Commercial Tort Claims and Supporting Obligations, and all General Intangibles consisting of patents, trademarks and copyrights, included in the Collateral.

(g) *Other Information.* All other information provided in the Schedule is complete and accurate in all respects.

6. **Costs**. Debtor will pay to Secured Party on demand all costs incurred by Secured Party for the purpose of enforcing any of its rights or Debtor's obligations hereunder, including:

(a) costs relating to the perfection or protection of the security interest granted herein or to the performance by Secured Party, at its sole option, of any of Debtor's obligations hereunder that Debtor fails to timely pay or perform;

(b) costs of foreclosure;

(c) costs of obtaining money damages or other relief; and

(d) the reasonable fees and disbursements of attorneys employed by Secured Party for any purpose related to this Agreement or the Obligations, including consultation, drafting documents, sending notices or instituting, prosecuting or defending litigation or other enforcement actions.

After any demand for the payment of any cost, Debtor will pay interest on the portion of the cost remaining unpaid due at an annual rate equal to the lesser of (i) 5% above the highest domestic prime rate published in The Wall Street Journal (if no longer published, then a similar publication designated by Secured Party) from time to time or (ii) the highest rate permitted by applicable law.

7. Remedies Upon Default.

(a) *General*. Upon or after the occurrence of any Event of Default, Secured Party may pursue any remedy available at law (including those available under the provisions of the UCC) or in equity to collect, enforce or satisfy any of the Obligations then owing, whether by acceleration or otherwise.

(b) Concurrent Remedies. Without limiting the generality of Section 7(a) hereof, upon or after the occurrence of any Event of Default, Secured Party has the right to pursue any of the following remedies separately, successively or concurrently:

(i) To declare all or any portion of the Obligations remaining unpaid to be immediately due.

(ii) To file suit and obtain judgment and, in conjunction with any action, Secured Party may seek any ancillary remedies available under applicable law, including levy of attachment and garnishment.

(iii) To enforce Debtor's rights against Account Debtors and Obligors and to instruct such Persons to pay all amounts owing by them directly to Secured Party.

(iv) To take possession of any of the Collateral if not already in its possession without demand and without legal process, and Debtor grants to Secured Party the right, for this purpose, to enter into or on any premises where any of the Collateral may be located and, upon Secured Party's demand, Debtor will assemble and make the Collateral available to Secured Party as it directs.

(v) With or without taking possession, to sell, lease or otherwise dispose of the Collateral at public or private sale in accordance with the UCC.

(c) *Power of Attorney.* Debtor irrevocably and unconditionally appoints Secured Party as the attorney-in-fact of Debtor, with full power of substitution and revocation, to take, at the sole option of Secured Party, in the name and on behalf of Debtor or otherwise, upon or after the occurrence of any Event of Default, each action relating to any of the Collateral that Debtor could take. The power of attorney given pursuant to the preceding sentence is coupled with an interest in favor of Secured Party and, if Debtor is an individual, will not be terminated or otherwise affected by the death, disability or incompetence of Debtor.

8. **Foreclosure Procedures.**

(a) *No Waiver.* No delay or omission by Secured Party to exercise any right or remedy accruing upon any Event of Default will: (i) impair any right or remedy, (ii) waive or operate as an acquiescence to the Event of Default or any other default, or (iii) affect any subsequent Event of Default or other default of the same or of a different nature.

(b) *Condition of Collateral*. Secured Party has no obligation to clean-up or otherwise prepare the Collateral for sale, lease or other disposition.

(c) *No Obligation to Pursue Others.* Secured Party has no obligation to attempt to satisfy the Obligations by collecting them from any other Person liable for them and Secured Party may release, modify or waive any of the Collateral or any collateral provided by any Third Party to secure any of the Obligations, all without affecting Secured Party's rights against Debtor. Debtor waives any right it may have to require Secured Party to pursue any Third Party for any of the Obligations.

(d) *Compliance With Laws.* Secured Party may comply with any requirements under applicable law in connection with any disposition of the Collateral. Secured Party's compliance with one permitted method of disposition over another permitted method under applicable law will not be considered to adversely affect the commercial reasonableness of any disposition of the Collateral.

(e) *Warranties.* Secured Party may sell, lease or otherwise dispose of the Collateral without giving any warranties as to the Collateral. Secured Party may specifically disclaim any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale, lease or other disposition of the Collateral.

(f) *Sales on Credit.* If Secured Party sells any of the Collateral upon credit, Debtor will be credited (to the extent entitled) only with payments actually made by the purchaser, received by Secured Party and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Secured Party may resell the Collateral.

(g) *Purchases by Secured Party.* In the event Secured Party purchases any of the Collateral being sold, Secured Party may pay for the Collateral by crediting all or any portion of the Obligations.

(h) *No Marshalling*. Secured Party has no obligation to marshal any assets in favor of Debtor or against or in payment of (i) the Obligations or any portion thereof or (ii) any other obligations owed to Secured Party by any other Person.

9. **Certain Consents And Waivers.**

(a) *Consents*. Except to the extent expressly provided in this Agreement, this Agreement will not be modified or terminated, no obligation of Debtor under this Agreement and no right or remedy of Secured Party under this Agreement will be impaired or otherwise adversely affected, and no such right or remedy will be waived, by any act, omission or other thing. Debtor consents, without any notice, to each act, omission and other thing that would or might, but for such consent, modify or terminate this Agreement, impair or otherwise adversely affect any such obligation, right or remedy or operate as a waiver of any such right or remedy. Without limiting the generality of the preceding two sentences, this Agreement will not be modified or terminated by, no such obligation, right or remedy will be impaired or otherwise adversely affected by, no such right or remedy will be waived by, and such consent will apply to (i) any direct or indirect extension, renewal, refinancing or other modification or replacement of, or any assignment or other transfer, compromise, cancellation, discharge, invalidity, impairment, unenforceability or change in any term or condition of, defense with respect to or grant of any participation in, any of the Obligations or any other obligation of Debtor or any Third Party or other Person, (ii) any taking, increase or decrease in value, impairment or release of, collection or sale, lease or other disposition of or other realization upon or failure or delaying to call for, take any property as, hold, preserve, protect, insure or collect, sell, lease or otherwise dispose of or otherwise realize upon any of the Collateral or (iii) any failure or delaying to perfect, keep perfected or maintain the priority of any security interest in any of the Collateral.

(b) *Waivers*. Debtor waives, without any notice, each act and other thing upon which, but for such waiver, any obligation of Debtor under this Agreement or any right or remedy of Secured Party under this Agreement or arising or accruing as a result of this Agreement would or might be conditioned. Without limiting the generality of the preceding sentence, no such obligation, right or remedy will be conditioned upon, and such waiver will apply to (i) the acceptance of this Agreement by Secured Party, (ii) any demand upon or presentment or protest to Debtor or any Third Party or other Person or (iii) any exercise of any

right or remedy of Secured Party or any other Person relating to any of the Obligations or any of the Collateral or against Debtor or any Third Party or other Person.

10. **General**.

(a) *Cumulative Effect.* All rights and remedies of Secured Party under this Agreement are cumulative and no such right or remedy is exclusive of any other such right or remedy. This Agreement does not modify or terminate any other agreement, instrument or other document binding upon Debtor or any Third Party or other Person in favor of Secured Party.

(b) *Liability*. If more than one Person executes this Agreement, (i) each of them will be jointly and severally liable pursuant to this Agreement and (ii) this Agreement will be construed, interpreted and enforced, whether in any action or other legal proceeding or otherwise, as to each of them as though each of them had executed and delivered to Secured Party a separate agreement identical to this Agreement.

(c) *Notices*. All notices, consents, approvals, statements, authorizations, documents, or other communications (collectively "notices") required or permitted to be given hereunder will be in writing, and will be delivered personally, by prepaid nationally recognized overnight courier, by email, or by registered mail, postage prepaid, to the parties at their respective addresses set forth below:

To the Secured Party: Legal Department

Osmow's FZ Corp.
Matheson Blvd. East Mississauga, Ontario Canada L4Z 2H2
Telephone: (905) 624-5546 ext. 226 Email: team-legal@osmows.com With a Copy to:
George J. Eydt Hodgson Russ LLP
Bay-Adelaide Centre, East Tower 22 Adelaide St. West, Suite 2050 Toronto, Ontario M5H 4E3
Canada Telephone: (416) 595-2671
Email: geydt@hodgsonruss.com

To Debtor: PREMISES

Telephone: TO BE DETERMINED Email: TO BE DETERMINED

Or at any such other address or addresses as may be given by any of them to the other in writing from time to time. Such notices, if mailed, will be deemed to have been given on the fifth business day following such mailing, or, if delivered by facsimile telephone transmission or email on a business day prior to 5:00 p.m. recipient's local time, will be deemed to have been given on the day delivered, or, if delivered after that time or on a day other than a business day, will be deemed to have been given on the next business day, or, if delivered by courier, will be deemed to have been given on the day delivered, if delivered personally, will be deemed to have been given on the day delivered, if a business day, or if not a business day, on the next business day following the day delivered; provided that if such notice will have been mailed and if regular mail service will be interrupted by strike or other irregularity before the deemed receipt of such Notice, as aforesaid, then such Notice will not be effective unless delivered.

If there are multiple Debtors, service on one Debtor will constitute valid notice to all. If the Debtor is no longer occupying the Premises, the Secured Party may send notice to the last known address of the Debtor or any of its owners.

(d) *No Assignments by Debtor.* Secured Party does not consent to any assignment by Debtor of, and Debtor will not assign, any of Debtor's rights, interests or obligations under this Agreement.

(e) *Secured Party Assignments.* Secured Party may assign any of its rights, interests and obligations under this Agreement. If an assignment is made, Debtor will render performance under this Agreement to the assignee. Debtor waives and will not assert against any assignee any claim, defense or setoff that Debtor could assert against Secured Party except defenses that cannot be waived.

(f) *Severability*. If any provision of this Agreement is found to be void, invalid or unenforceable by a court of competent jurisdiction, that finding will only affect the provisions found to be void, invalid or unenforceable and will not affect the remaining provisions of this Agreement.

(g) *Binding Effect.* This Agreement binds Debtor, all other Persons who or that become bound as a debtor hereto and the legal representatives, successors and assigns of Debtor and all other such Persons and inures to the benefit of and is enforceable by Secured Party and the legal representatives, successors and assigns of Secured Party.

(h) *Headings*. Section headings used in this Agreement are for convenience only. They are not a part of this Agreement and will not be used in construing it.

(i) *Governing Law.* This Agreement is governed by and will be construed, interpreted and enforced in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws, except to the extent that the UCC provides for the application of the law of the Debtor State or the Chief Executive Office State or any other jurisdiction.

(j) Rules of Construction.

(i) No reference to "Proceeds" in this Agreement authorizes any sale, transfer or other disposition of the Collateral by Debtor.

(ii) "Includes" and "including" are not limiting.

(iii) "Or" is not exclusive.

(iv) "All" includes "any" and "any" includes "all".

(v) Any gender includes any other gender, as the context may require.

(vi) The terms "hereof", "herein", "hereunder" and similar terms refer to this Agreement and not to any particular provision of it.

(k) Integration and Modifications.

(i) This Agreement is the entire agreement of Debtor and Secured Party concerning its subject matter.

(ii) Any modification to this Agreement must be made in writing and signed by Debtor and Secured Party.

(l) *Termination*. This Agreement will remain in full force and effect until and will terminate only upon (i) the final and indefeasible payment and performance in full of the Obligations and (ii) there no longer being in force or effect any loan, sublease, franchise or other agreement, any promissory note or other instrument or any credit commitment or other financial accommodation under which any of the Obligations have arisen or may arise.

(m) *Further Assurances*. Debtor agrees to execute any further documents, and to take any further actions, reasonably requested by Secured Party to evidence, perfect or protect the security interest granted herein or to effectuate the rights granted to Secured Party herein.

(n) *CONSENT TO JURISDICTION.* DEBTOR CONSENTS IN EACH ACTION OR OTHER LEGAL PROCEEDING COMMENCED BY SECURED PARTY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE OBLIGATIONS TO THE NONEXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN THE STATE OF DELAWARE; WAIVES PERSONAL SERVICE OF PROCESS; AND AGREES THAT SERVICE OF PROCESS MAY BE EFFECTED BY SECURED PARTY BY REGISTERED MAIL TO DEBTOR AT THE ADDRESS SET FORTH AT THE BEGINNING OF THIS AGREEMENT (OR SUCH OTHER ADDRESS AS TO WHICH DEBTOR HAS GIVEN SECURED PARTY NOTICE IN ACCORDANCE WITH SECTION 10(C) HEREOF) OR IN ANY MANNER ALLOWED BY THE STATE OF DELAWARE OR THE FEDERAL LAWS OF THE UNITED STATES. DEBTOR WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH ACTION OR OTHER LEGAL PROCEEDING.

(o) *WAIVER OF TRIAL BY JURY*. DEBTOR WAIVES EACH RIGHT DEBTOR MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION OR OTHER LEGAL PROCEEDING, WHETHER BASED ON ANY CONTRACT OR NEGLIGENT, INTENTIONAL OR OTHER TORT OR OTHERWISE, ARISING OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT, ANY OF THE OBLIGATIONS OR ANY OF THE COLLATERAL.

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Debtor:

_____

By:

_____

Authorized Signatory Name:

_____

Title:

_____

Secured Party: Osmow's FZ CORP.

By:

_____

Authorized Signatory Name:

_____

Title:

_____

SCHEDULE

1. Debtor's Chief Executive Office.

2. Debtor's State of Organization and Organizational Identification Number.

_____(State)

_____(Organizational ID#) or □ None

3. Type of Legal Entity.

□
Corporation

□
Limited Partnership

□
General Partnership

□
Other as indicated

□
Limited Liability Company

4. Locations During Last 5 Years of Collateral Consisting of Goods, including Inventory, Equipment and Fixtures. (attach separate sheet for additional locations)

	Address	Type of Location (Check One Box)	Name and Address of Landlord, Bailee or Warehousema	Name and Address of Record
1.		□Debtor owned □Leased □Bailee or Warehouse □Prior, no longer used		

*information not necessary for locations designated as Prior, no longer used

5. Description of Chattel Paper, Instruments, Investment Property, Deposit Accounts, Letter-of-Credit Rights, Commercial Tort Claims and Supporting Obligations included in the Collateral.

6. Description of General Intangibles included in the Collateral consisting of patents, trademarks or copyrights.

7. Permitted Liens.

(a) Any purchase money security interest hereafter granted by Debtor in property acquired by Debtor to secure:

(i) payment of not more than 75% of the purchase price of the property; or

(ii) repayment of funding giving to Debtor by any Person and applied by Debtor to enable Debtor to acquire the property, provided that the funding does not exceed 75% of the purchase price of the property; and any replacement, extension or renewal thereof is the

amount secured thereby (including interest) at the time of such replacement, extension or renewal is not increased and the property subject to thereto remains the same property.

(b) No other "Permitted Liens" unless described here.

8. Additional Covenants.

(a) Without the prior written consent of Secured Party, Debtor will not lend money to, guarantee the debts or obligations of or invest money in any Person, whether on an arm's length basis or otherwise and whether by means of any loan, acquisition of shares, acquisition of debt or otherwise.

(b) Without the prior written consent of Secured Party, Debtor will not permit any direct or indirect change in the ownership interests or voting control of Debtor.

SCHEDULE 4
SUBLEASE

THIS AGREEMENT is made the ● day of ●, 20●.

B E T W E N :

Osmow's LTD.,

a corporation incorporated under the laws of the Province of ,

(the "Tenant")

- and -

[FRANCHISEE],

a [corporation/limited liability company/partnership] [incorporated/formed] under the laws of the State of [●],

(the "Subtenant")

WHEREAS:

A. By a certain Lease (which lease, together with any renewal thereof or supplement or additions thereto, all as amended or modified from time to time, are collectively referred to herein as the "Lease") dated the ● day of ●, 20● amongst, [LANDLORD], as landlord, (the "Head Landlord"), and the Tenant, as tenant, the Head Landlord agreed to lease to the Tenant certain premises located at ●, in the City of ●, State of ● (the "Premises"), comprising approximately ● square feet, upon and subject to the terms and conditions contained in the Lease.

B. The Tenant's affiliate, Osmow's Inc., as franchisor, by a certain franchise agreement dated the ● day of ●, 20● (the "Franchise Agreement"), granted to the Subtenant, as franchisee, the right and licence to establish and operate an "Osmow's" franchise at the Premises (the "Franchise").

C. In connection with the Subtenant's operation of the Franchise, the Tenant and the Subtenant have agreed to enter into this sublease of the Premises.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of these presents, the mutual covenants hereinafter contained, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledges, both parties covenant and agree each with the other as follows:

1. The parties acknowledge that the foregoing recitals are true and correct in substance and in fact.

2. If there shall be any inconsistency or conflict between the terms of this Sublease and any of the provisions contained in the Franchise Agreement, the parties acknowledge that the provisions of the Franchise Agreement shall be read in priority to, and shall supersede, any of the provisions contained in this Sublease.

3. Except as otherwise specifically provided in this Sublease, all words and expressions used in the Lease shall apply to, and be read in conjunction with, the provisions of this Sublease.

4. The Tenant hereby subleases the Premises to the Subtenant, TO HAVE AND TO HOLD for and during the term (the "**Term**") commencing [**as of the date hereof / on the Commencement Date (as defined in the Lease)**] and ending on **the earlier of:** (A) the expiration or earlier termination of the Franchise Agreement, or (B) the expiration of the initial term of the Lease and any validly exercised renewal(s) or extension(s) thereof, if applicable, less one day in accordance with and subject to the terms, covenants and conditions contained in this Sublease and the Franchise Agreement, and to the observance and performance by the Subtenant of all the terms, covenants and conditions contained in the Lease to be observed and performed by the Tenant with respect to the Premises. For greater clarity, subject to earlier expiration or termination as described in sub- clauses (A) and (B) above, it is intended that the initial term of this Sublease shall be for approximately 10 years and that the Subtenant shall have one option to renew this Sublease for **the lesser of** (i) the unexpired portion of the term of the Lease at the expiry of the initial term of the Franchise Agreement, plus the term of all renewal(s) or extension(s) which may be, and subsequently are, exercised under the Lease less one day, and (ii) 10 years. All of the terms and conditions described in Sections 4.2 and 4.3 of the Franchise Agreement pertaining to the option to renew the Franchise Agreement shall be applicable, mutatis mutandis, to the renewal of this Sublease. Provided that it is understood and agreed that, notwithstanding the foregoing or any provisions to the contrary contained herein, **in no event** shall the Term of this Sublease extend beyond the earlier of the dates described in sub-clauses (A) and (B) above.

5. The Subtenant covenants with the Tenant as follows:

(a) Throughout the Term, the Subtenant shall pay the rent and observe and perform all of the terms, covenants, and conditions on the part of the Tenant contained in the Lease to be paid, observed, and performed with respect to the Premises.

(b) The Subtenant has examined a copy of the Lease and the covenants and obligations of the Tenant, as tenant, contained therein, and the Subtenant shall honor, perform, and observe all of the Tenant's covenants, obligations, and agreements therein respectively reserved and contained with respect to the Premises, including the payment of all rentals, charges, costs and other expenses of any kind or nature whatsoever to be paid by the Tenant under the Lease, as if same were a part of this Sublease. The Subtenant shall indemnify and save harmless the Tenant in respect of all such rentals, charges, costs and expenses and from all actions, suits, losses, charges and demands for or in respect thereof. The

Subtenant further acknowledges that the Tenant shall not have any greater obligation or responsibility to the Subtenant with respect to the Lease and the Premises than it has as tenant pursuant to the Lease, but the Tenant shall use its reasonable efforts to take all necessary steps and do and perform all requisite acts, on behalf of the Subtenant and at the sole cost of expense of the Subtenant, in order to enforce the performance of the terms, covenants and conditions contained in the Lease on the part of the Head Landlord.

(c) At the option of the Tenant to be exercised by written notice to the Subtenant, the Subtenant shall present to the Tenant at the beginning of each year of the Term of this Sublease (including the first year of the Term) a series of twelve monthly post-dated checks to cover the payment of minimum rent and all other charges due and payable hereunder and under the Lease, for each year of the Term of the Sublease. Such post-dated checks, as aforesaid, shall be delivered by the Subtenant to the Tenant not later than ten (10) days prior to the commencement of each year of the Term except with respect to the first year of the Term, in which case, the Subtenant shall deliver the required post-dated checks on the execution of this Sublease.

(d) The Subtenant shall pay all taxes, rates, duties and assessments as may be levied, rated, charged or assessed against or in respect of all improvements, equipment and facilities on or in the Premises carried on thereon or therein or in respect of the use or occupancy thereof by the Subtenant, whether any such assessment or license fees are charged by any federal, municipal, provincial, school or other governmental body, and the Subtenant hereby agrees to indemnify and keep indemnified the Tenant from and against payment for any and all losses, costs, charges and expenses occasioned by, or arising from, any and all such taxes, rates, duties, assessments, licence fees and any and all taxes which may in the future be levied in lieu of such taxes, and any such loss, cost, charge and expense suffered or incurred by the Tenant may be collected by the Tenant as rent with all rights of distress and otherwise as reserved to the Tenant hereunder or at law in respect of rent in arrears.

(e) The Tenant shall not be liable for any death or injury, or damage to the property of the Subtenant or of others located on the Premises, from any cause whatsoever, whether or not caused by the negligence or otherwise of the Tenant or those for whom the Tenant is in law responsible.

(f) Notwithstanding anything contained in the Lease to the contrary, the Subtenant shall not assign this Sublease in whole or in part, nor sublet all or any part of the Premises, nor mortgage or encumber this Sublease or the Premises or any part thereof, or any machinery or equipment therein or thereon, nor suffer or permit the occupation of all or any part thereof by others, without, in each instance, obtaining the prior written consent of the Head Landlord and the Tenant, which consent by the Tenant may, notwithstanding any statutory provision or provisions to the contrary, be arbitrarily or unreasonably withheld. Without in any way limiting the right of the Tenant to arbitrarily or unreasonably withhold its

consent to any assignment or subletting, as aforesaid, the Subtenant acknowledges and agrees that the Tenant in determining whether to grant its consent shall be entitled, in addition to any other tests or requirements available to the Tenant at law or otherwise, to require the proposed sublessee or assignee to fully comply with all of the requirements and conditions set out in Section 15.5 of the Franchise Agreement. Notwithstanding any assignment or sublease, the Subtenant shall remain jointly and severally liable under this Sublease and shall not be released from performing any of the terms, covenants and conditions of this Sublease or the Franchise Agreement. Further, any consent granted by the Tenant shall be conditional upon and subject to the Subtenant causing any such assignee or sublessee or other occupant of the Premises to enter into an agreement directly with the Subtenant in writing whereby such assignee or sublessee or other occupant covenants and agrees:

(i) to assume and continue to perform and be bound by all of the terms and conditions contained in this Sublease;

(iii) to assume and continue to perform and be bound by all of the terms and conditions contained in the Franchise Agreement; and to be responsible for and indemnify and hold harmless the Tenant from and against any and all legal costs and expenses incurred in connection with the preparation of any necessary documentation or advice given in connection with the Tenant's consent.

(g) The Subtenant shall use and occupy the Premises from and after the commencement of the Term and shall thereafter conduct continuously the business required to be conducted therein at the times and in the manner required pursuant to the provisions of the Lease and the Franchise Agreement. Without in any way limiting the generality of the foregoing, in the conduct of the Subtenant's business pursuant to the terms of this Sublease and the Franchise Agreement, the Subtenant shall:

(i) subject to the provisions contained in the Lease, conduct its business in the Premises during such hours and on such days as the Tenant may from time to time require or permit and at no other times; and

(ii) forthwith discontinue any business, conduct or practice carried on or maintained by the Subtenant, whether through advertising or selling procedures or otherwise, which in the reasonable opinion of the Tenant may harm or tend to harm the business or reputation of the Tenant or the Franchisor, or reflect or tend to reflect unfavorably on the Tenant or the Franchisor, or which may tend to confuse, mislead, deceive or be fraudulent to the public, or which shall be a breach of the provisions of the Franchise Agreement or the Lease, and if the Subtenant shall fail to discontinue any of the foregoing within five (5) days after receipt of a written request to do so by the Tenant, the Tenant shall then be entitled to

terminate this Sublease in accordance with the provisions hereof and the Franchise Agreement in accordance with the provisions thereof.

(h) The Subtenant shall maintain and keep in good order, condition and repair the Premises and all equipment, fixtures, chattels and improvements therein or thereon, all in accordance with the provisions of the Lease and the Franchise Agreement.

(i) The Subtenant shall, at the expiration or sooner termination of the Term, peaceably surrender and yield up unto the Tenant the Premises with all appurtenances thereto in good and substantial repair and condition and shall surrender all keys for the Premises to the Tenant at the place then fixed for the payment of rent and shall inform the Tenant of all combinations on all locks, safes and vaults, if any, in the Premises. The Subtenant's obligation to serve and perform the provisions of this subparagraph (i) shall survive the expiration or sooner termination of this Sublease.

(j) In addition to, but without duplication of, the insurance requirements contained in the Lease (the terms of which the Subtenant agrees to honor and perform), the Subtenant shall take out and keep in full force and effect, at its sole cost and expense and in the names of the Subtenant and the Tenant, business interruption insurance and rental insurance in such amount as will reimburse the Subtenant for direct and indirect loss of earnings attributable to all perils, in the Tenant's sole discretion, as are commonly insured against by prudent tenants or attributable to prevention of access to the Premises as a result of such perils.

(k) If at any time throughout the currency of this Sublease, the Subtenant is a corporation or if this Sublease is assigned to a corporation, the Subtenant shall not be entitled to transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition or by subscription, all or any part of the corporate shares of the Subtenant or any associated, affiliated or subsidiary company of the Subtenant so as to result in a change in the effective voting control as of the date of this Sublease, or as of the date of the assignment of this Sublease to a corporation, without first obtaining the written consent of the Tenant in each instance, which consent, notwithstanding any statutory provision or provisions to the contrary, may be arbitrarily or unreasonably withheld. The Subtenant shall make available to the Tenant or to its lawful representatives all corporate books and records or the Subtenant for inspection at all reasonable times in order to determine if there has, in fact, been a change in control, as aforesaid.

6. The Subtenant acknowledges that it is the intention of the parties that this Sublease shall be a completely carefree net sublease for the Tenant, and that, subject to the provisions contained in this Sublease, the Tenant shall not be responsible during the Term or any renewal, for any loss, charges, expenses and outlays of any nature or kind whatsoever arising from or relating to the Premises or the contents thereof and the Subtenant shall pay all such charges, impositions and expenses of every kind and nature relating to the Premises. The Subtenant further agrees that the Tenant shall have all rights

and remedies as against the Subtenant in respect of this Sublease (including without limitation, the right, corresponding to the Head Landlord's right to terminate the Lease, if any, to terminate this Sublease in the event of damage or destruction to the Premises, the development or shopping centre, or any portion of them, as may be contemplated pursuant to the Lease) as though the Tenant was the landlord named in the Lease and the Subtenant was the tenant named in the Lease, mutatis mutandis.

7. Subject always to the rights of the Head Landlord and the Tenant contained in the Lease, upon payment by the Subtenant of the rents and other monetary assessments provided herein and in the Franchise Agreement, and upon the observance and performance of all covenants, terms and conditions contained in this Sublease and the Franchise Agreement on the Subtenant's part to be observed and performed, the Subtenant shall peaceably and quietly hold and enjoy the Premises for the Term without hindrance or interruption by the Tenant or any person or persons lawfully claiming by, through or under the Tenant, subject nevertheless to the terms and conditions of this Sublease and the Franchise Agreement.

8. If the Subtenant fails to pay the Tenant (or, if applicable, to the Head Landlord or any other third parties) any amounts required to be paid pursuant to the provisions of this Sublease, the Lease or the Franchise Agreement, as the case may be, then, in any of the foregoing cases, the Tenant may, at its option, make all such payments on behalf of the Subtenant, who shall forthwith reimburse the Tenant for all costs and expenses so incurred upon demand. In the event the Subtenant fails to reimburse the Tenant for any such costs and expenses, as aforesaid, the Tenant, in addition to any other rights hereunder or at law, shall have the same remedies and may take the same steps for the recovery of all such amounts as the Tenant may have for the recovery of rent in arrears under the terms of this Sublease. All arrears of rent and other sums to be paid by the Subtenant herein to theTenant shall bear interest at the greater of (a) the rate provided in Section 2.3 of the Franchise Agreement, or (b) the rate provided for in the Lease, from the time such sums became due until paid in full to the Tenant.

9. If:

(a) the Term hereby granted or any of the goods and chattels of the Subtenant shall be at any time seized or taken in execution or attachment by any creditor of the Subtenant and such execution, attachment or seizure is not set aside, discharged or abandoned within 10 days after its commencement;

(b) the Subtenant makes any proposal or assignment for the benefit of creditors;

(c) a receiver is appointed for all or a portion of the Subtenant's property;

(d) the Subtenant shall make a sale in bulk or shall give any bill of sale or become bankrupt or insolvent or take the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or any orders shall be made for the winding up of the Subtenant;

(e) the Subtenant or any agent of the Subtenant shall falsify any report required to be furnished to the Tenant pursuant to the terms of this Sublease or the Franchise Agreement;

(f) the Subtenant abandons or attempts to abandon the Premises or sells or disposes or attempts to sell or dispose of the goods, merchandise and chattels of the Subtenant (other than in the ordinary course of business) or to remove them from the Premises so that there would not in the event of such disposal be sufficient goods, merchandise or chattels on the Premises subject to distress to satisfy all rentals and other charges due or accruing hereunder;

(g) the Subtenant shall fail to continually operate its business in the Premises in accordance with the provisions of this Sublease;

(h) the Subtenant shall not observe, perform and keep each and every one of the covenants, agreements, stipulations, provisions and conditions contained herein, and such failure to observe or perform continues for a period of two (2) days after written notice (or such shorter period of time as is provided for under the Lease);

(i) the Franchise Agreement shall be terminated for any reason whatsoever;

(j) the Subtenant shall be in default under the Franchise Agreement;

then in every such case, the then current month's rent and the next ensuing three (3) months' rent under the Lease and all payments then due and owing under the Franchise Agreement, shall immediately become due and payable and at the option of the Tenant, this Sublease shall cease and be determined, and the Term of this Sublease shall then become forfeited and void, in which event the Tenant may re-enter the Premises in accordance with the provisions hereof and take possession thereof as though the Subtenant or any occupant or occupants of the Premises was or were holding over after the expiration of the term without any rights whatsoever, and upon such re-entry, the Tenant may remove all persons or property from the Premises and such property so removed shall be stored in a public warehouse or elsewhere at the cost of and for the account of the Subtenant, all without service of notice or resort to legal process and without the Tenant being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby. The Subtenant hereby waives any entitlement it may have to receive notice (the "Statutory Notice") pursuant to applicable state law, and agrees that any notice of default delivered by the Tenant pursuant to the Franchise Agreement will be accepted in lieu of and in full satisfaction of the Statutory Notice.

10. It is further agreed by and between the parties hereto that in the event of any failure of the Subtenant to pay any rents or other amounts due hereunder or under the Lease on the date or dates appointed for the payment thereof, or, in the event of any failure by the Subtenant to perform any other of the terms, conditions or covenants contained in this Sublease or the Lease, as the case may be, to be respectively performed

and observed thereunder by the Subtenant, or in the event that the Subtenant shall be in default or in breach of any of the provisions contained in the Franchise Agreement or any other agreement entered into with the Tenant or any of the Tenant's subsidiary, associated or affiliated companies, or in the event that the Subtenant shall be in default or in breach of any chattel mortgage or any other loan or security agreement given to or assumed by the Subtenant in favor of the Tenant, the Franchisor or any other party, or, in the event any check, note or negotiable instrument given by the Subtenant to the Tenant or the Franchisor is dishonored upon presentation, then, in any such event, the Tenant, in addition to any and all other remedies to which it may be entitled hereunder or at law, may forthwith without notice re-enter and repossess the Premises [ADD STATE SPECIFIC EVICTION TERMS HERE] and thereupon this Sublease shall be terminated, and upon such termination, the Subtenant shall deliver vacant possession of the Premises to the Tenant in accordance with the provisions of this Sublease. In the event of the bankruptcy or winding up of the Tenant, the Subtenant hereby irrevocably waives any and all rights under laws applicable in the jurisdiction in which the Premises are located.

11. The parties acknowledge and agree that:

(a) The failure of the Tenant to insist upon the strict performance of any of the agreements, terms, covenants and conditions hereof shall not be deemed a waiver of any of the rights or remedies that the Tenant may have hereunder and shall not be deemed a waiver of any subsequent breach or default in any of such terms, agreements, covenants or conditions. The subsequent acceptance of rent or other payments hereunder or under the Franchise Agreement by the Tenant or the Franchisor shall not be deemed to be a waiver of any preceding breach by the Subtenant of any term, covenant or condition of this Sublease or the Franchise Agreement, as the case may be, regardless of the Tenant's knowledge of such preceding breach at the time of the acceptance of such rent or other monetary payment.

(b) Any notice or demand which under the terms of this Sublease or any statute or ordinance which may or must be given or made by a party hereto shall be in writing may be delivered by courier or by registered mail addressed to the Tenant at 5598 McAdam Road, Mississauga, Ontario, L4Z 1P1 or by email to legal@osmows.com and to the Subtenant at the Premises or [email address]. Any such notice or demand shall be conclusively deemed to have been given or made on the day upon which such notice or demand is delivered by courier, or, if mailed, then on the second business day next following the date of the mailing, or, if emailed, then the same day such notice is sent, as the case may be, and either party may at any time give notice in writing to the other of any change of address of the party giving such notice, and from and after the giving of such notice, the address therein specified shall be deemed to be the address of such party for the giving of notices hereunder.

(c) Words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine

and neuter gender and words importing persons shall include firms, partnerships and corporations and vice versa.

(d) All rights and liabilities herein given to or imposed upon the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and permitted assigns of the said parties, and if there shall be more than one sublessee they shall be bound jointly and severally by the terms, covenants and agreements herein contained. No rights, however, shall enure to the benefit of any assignee or subtenant of the Subtenant unless such assignment or subletting has been approved by the Tenant in writing pursuant to the provisions of Paragraph 5(f) hereof.

(e) Time shall be of the essence of this Sublease and every part hereof.

(f) If any term, covenant or condition of this Sublease or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Sublease or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Sublease shall be valid and enforced to the fullest extent permitted by law.

(g) For purposes of this Sublease, rent includes each and every amount or sum payable by the Tenant under the Lease or payable by the Subtenant pursuant to the Franchisee Agreement or other agreement between the Subtenant and the Tenant and/or its affiliate, whether or not characterized as rent; all rent shall be payable without deduction, set off or abatement; in the event of any breach by the Subtenant in the payment of any such amounts or sums, the Tenant shall have all of the remedies available to it pursuant to this Sublease or otherwise at law as are applicable in the case or non-payment of rent.

(h) In the event any deposit is required to be paid by the Tenant under the Lease, the amount (if any) of such deposit that is returned by the Landlord to the Tenant may be applied to any amounts payable by the Subtenant under this Sublease including but not limited to any amounts owed by the Subtenant to the Tenant or any of its affiliates.

(i) This Agreement may be executed and delivered by facsimile or electronic signature and in any number of counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have duly executed this Sublease on the date first written above.

Osmow's LTD.

Per: _____
Ben Osmow, C.E.O.

I have authority to bind the Corporation.

[**FRANCHISEE**]

Per: _____
Name:
Title:

I have authority to bind the Corporation.

EXHIBIT “2B”: OTL or LEASE

See attached.

SCHEDULE 5
CERTIFICATE OF CORPORATE FRANCHISEE

FROM: **[Name(s)]** (collectively, the "**Principal**")

AND FROM: **[Franchisee Corporation]** (the "**Franchisee**")

TO: **Osmow's INC.**

DATE: _____, 20__

---

1. The undersigned hereby certify to you that:

(a) The following are the names of the duly elected and appointed directors of the Franchisee as of the date of this Certificate:

(b) The following are the names and specimen signatures of the duly elected and appointed officers of the Franchisee as of the date of this Certificate:

Name	Title	Signature

(c) The Franchisee has registered for a Payroll Source Deduction Account.

(d) The Franchisee has registered under the Excise Tax Act in respect of Harmonized Sales Tax.

(e) The Franchisee has registered under the Workplace Safety and Insurance Act (or equivalent) in respect of workplace accident insurance.

(f) The execution and delivery of the Franchise Agreement and all ancillary agreements (the "Franchise Documents") will not conflict with or result in a breach of any agreement to which the Franchisee is a party.

(g) Except as contemplated by the Franchise Documents, the Franchisee has not created or granted in favour of any person a security interest, mortgage, charge, lien or other encumbrance in any of the assets of the Franchisee.

(h) The following are the shareholders of the Franchisee together with the class and number of shares in the capital of the Franchisee owned by each of them. Each of the shareholders listed below owns all of the legal and beneficial interest of all of his/her shares. No shares are held pursuant to any trust or other arrangement for the benefit of any person not shown below:

Name	Class of Share	Number of Shares

2. The undersigned acknowledge that you are relying on the truth, accuracy and completeness of this Certificate, the Confidential Information Reports of the Franchisee and all Principals, and all other documents or financial information submitted by the Franchisee and the Principals in entering into the Franchise Documents with the Principal and the Franchisee.

3. The undersigned are not aware of any fact, circumstance or reason, not previously disclosed to the Franchisor in writing, why the Franchisor should not grant an Osmow's franchise to the Franchisee or the Principal.

4. This Certificate may be executed and delivered by facsimile or electronic signature and in any number of counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument

[**FRANCHISEE**]

Per: _____
Name: _____
Title: _____

I have authority to bind the
Corporation.

SCHEDULE 6
PRE-AUTHORIZED DEBIT AGREEMENT

SCHEDULE 7
AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT is made this _____day of _____, 20__.

B E T W E E N:

[**FRANCHISEE**],
a _____ incorporated or formed under the laws of the State of _____,
(the "**Purchaser**")

-and-

Osmow's FZ CORP.,
a corporation incorporated under the laws of the State of Delaware,
(the "Vendor")

WHEREAS the Vendor will establish a business known as "Osmow's" situated at

_____, in the City of _____, _____(hereinafter referred to as the "**Premises**");

AND WHEREAS the Vendor wishes to sell the said Business to the Purchaser as a franchise business;

AND WHEREAS the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the franchise business including the assets and undertaking thereof, and the use of the trade name "**Osmow's**" pursuant to the provisions of the Vendor's form of Franchise Agreement entered into by, inter alia, the Vendor and the Purchaser (the "**Franchise Agreement**"), the chattels, fixtures, furniture, equipment, and the Vendor's interest in the leasehold improvements situate in the said premises and up to two external signs (all of which is hereinafter referred to as the "**Business**");

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and for the consideration hereinafter mentioned, and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), it is agreed by and between the Vendor and the Purchaser as follows:

1. The Vendor agrees to sell the Business to the Purchaser who shall purchase same from the Vendor upon and subject to the terms hereof.

2. The closing date for the within transaction is_____(the "**Closing Date**") but subject to any necessary extension resulting from an adjustment or extension of the date of possession of the subject premises pursuant to the lease or offer to lease between the Purchaser and landlord of the Premises, or due to any delay in the substantial completion of the Premises. The Closing Date shall be approximately [10] days prior to the scheduled opening date of the Business by the Purchaser. Notwithstanding anything to the contrary contained herein, the parties acknowledge and agree that the Purchaser alone is responsible for all rent and other amounts due and owing to the landlord of the Premises.

3. The Vendor agrees to complete the store premises on substantially a "turnkey" basis provided that and it is understood by the Purchaser, that if the premises have been substantially completed, and the Business can be operated therein, then in such case the Purchaser shall be obligated and hereby agrees to complete the transaction that is the subject of this Agreement on such date as may be specified by the Vendor, subject to the Vendor's undertaking to complete all outstanding items forthwith and in this regard the parties agree that the adjustments will be made effective as of the said closing date as advised by the Vendor. The Purchaser acknowledges and agrees that no monies will be held back by the Purchaser from the sale proceeds payable to the Vendor pending completion of the Vendor's undertaking described in this Section 3.

4. The purchase price for the Business (the "Purchase Price") shall be based upon the actual costs incurred in preparing the Restaurant to open for business and is estimated to be between $ and $ plus all applicable taxes, subject to the usual adjustments on the Closing Date including, without limitation, for landlord's fees for additional work, supervision of construction and review of plans and specifications, prepaid fire insurance premiums, water rates, gas rates, hydro rates, telephone charges, any rent owed during the construction period, fire-rating the premises, electrical upgrades to the premises, HVAC and gas upgrades (including installation of Ecologizer and/or Ecology units), Air filtration system installation, patio material and fencing, additional unforeseen expenses (out of the ordinary course of preparing a store), additional signs, sales and use tax, inventory, and other adjustable items. Additionally, the Purchaser shall pay our Project Management Fee of $25,000 plus applicable taxes. The Purchaser shall pay all applicable taxes on all assets being conveyed to it, including all chattels, leasehold improvements, furniture and equipment supplied, or caused to be supplied, by the Vendor, notwithstanding that they may have become fixtures after installation in the Premises.

5. The Purchase Price shall be paid and satisfied as follows:

(a) on the execution of this Agreement, the sum of $70,000 plus all applicable taxes to be paid by the Purchaser to the Vendor by certified cheque, bank draft, or wire transfer and to be credited on account of the purchase monies on closing; and

(b) thereafter, the Purchaser will be provided with regular invoices from our contractors and/or Osmow's and will be required to make prompt payment upon receipt of same. The Purchaser shall pay our Project Management Fee of $25,000 plus applicable taxes, in addition to the actual contractor and equipment invoices.

Purchaser assumes full responsibility for ensuring prompt payment of all invoices and understands that failure to ensure prompt payment may result in the store's opening date being delayed and may result in additional costs being incurred by Purchaser including, but not limited to, rent, and utilities.

6. The Purchase will be allocated as set forth in Schedule "A". After the Closing Date, the parties will make consistent use of such allocation for all tax purposes and on filing declarations and reports with the IRS, including reports required under Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code").

7. The Vendor and the Purchaser waive compliance with the provisions of any bulk sales, bulk transfer or similar laws that may be applicable to the sale of the Business, including the filing of bulk sale notices with applicable taxing authorities.

8. The Business shall be and remain at the risk of the Purchaser.

9. The Vendor shall, on closing, at its expense, deliver over to the Purchaser such deeds of conveyance, bills of sale, statutory declarations, inventory resale certificates, insurance, transfers, special resolutions, and assignments as the Purchaser's attorney may reasonably require.

10. The Vendor agrees that it shall pay its debts, liabilities and obligations, which it has incurred in respect of the business to the date of closing (but not including the Closing Date), which the Purchaser does not expressly assume under the terms of this Agreement. The Purchaser shall not be liable for any debts and obligations of the Vendor to the closing date, except as otherwise expressly provided herein. The Business shall, as of the closing date, be free of all liens, charges, and encumbrances.

11. The Vendor shall indemnify and save harmless the Purchaser from and against any and all actions, proceedings, claims, demands, obligations, or liabilities for sales, use or other taxes and duties, existing up to the time of closing and this covenant for indemnity by the Vendor shall survive the completion of this transaction for a period of one year after the Closing Date.

12. The Vendor represents and warrants as follows:

(a) all chattels, fixtures, furniture, equipment, goods and effects of the Business aforesaid will be in good working condition and proper state of repair on the closing date, subject to reasonable wear and tear, if applicable;

(b) as of the Closing Date, the Business and the Premises will comply with all applicable laws, rules and regulations of all municipal, county and state authorities, including buildings, fire and health regulations;

(c) as of the Closing Date, there will be no outstanding work orders, demands, deficiencies and requirements by any municipal, county or state authorities against the Premises or the Business except as disclosed by the Vendor to the Purchaser pursuant to Section 3 hereof;

(d) the Vendor shall provide such letters of authorization as may be reasonably required by the Purchaser or its attorney to obtain information from the relevant municipal, county and state departments;

(e) the Vendor shall assign any assignable guarantees and warranties for the chattels, fixtures, equipment, goods and effects of the Business to the Purchaser but it is understood and mutually agreed by the parties that the Purchaser shall be solely responsible for all repairs, maintenance, and replacements at its own expense should same be required or arise subsequent to the Closing Date;

(f) the Vendor is not now and will not be on closing a non-resident of the United States within the meaning of the Code; and

(g) the Vendor now has, and will have on the Closing Date, good and marketable title to the assets of the Business.

13. The Vendor will provide the Purchaser with a duly completed and executed IRS Form W-9.

14. The Purchaser shall, on or before closing, apply for and obtain gas and hydro utility accounts in its own name.

15. Any notice required or permitted to be given hereunder by the Vendor to the Purchaser, or by the Purchaser to the Vendor, may be sufficiently given if personally delivered or sent by facsimile or e-mail to the respective attorneys for the Purchaser and the Vendor or directly to the Purchaser or the Vendor, as applicable.

16. In entering into this Agreement, the Purchaser acknowledges and agrees that it has received true copies of all documents referenced in this Agreement and covenants and agrees to be bound by the same. Furthermore, the Purchaser acknowledges that it has been advised to obtain or has received independent legal advice and financial advice prior to entering into this Agreement and the Purchaser further acknowledges that the Vendor cannot and does not warrant or guarantee the success of the Purchaser.

17. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

18. Time shall be of the essence of this Agreement and every part thereof. Provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Vendor and Purchaser or by their respective attorneys who are expressly appointed in this regard.

19. This Agreement, including any schedules attached hereto, the Franchise Agreement, the Sublease, the General Security Agreement, and any other agreement executed between the parties hereto, shall constitute the entire agreement between the Purchaser and Vendor.

There is no representation, warranty, collateral agreement or condition, whether direct or collateral, or express or implied, which induced any party hereto to enter into this Agreement or on which reliance is placed by any such party, or which affects this Agreement or the Business other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.

20. All capitalized terms used herein shall, unless specifically defined herein, have the same meaning as the corresponding terms used in the Franchise Agreement, or of any of the franchise-related documentation, provided that if any of the capitalized terms are not defined in any of the said documents, then they shall be liberally construed as the context shall require in order to give effect to the manifest intent of the parties hereto.

21. This Agreement may not be assigned by the Purchaser without the prior written consent of the Vendor.

22. In the event the Franchise Agreement is terminated or rescinded prior to the closing of the transaction herein, this Agreement will terminate and be of no further force or effect.

23. This Agreement may be executed and delivered by facsimile or electronic signature and in any number of counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

24. Subject to the Franchisor's rights under federal trademark laws and the parties' rights under the Federal Arbitration Act, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the State of Delaware without regard to principles of conflicts of law, except that no Delaware statute or regulation will apply or will give rise to any right or claim except to the extent that the Franchisee is conducting business in the State of Delaware and such statute or regulation would apply to this Agreement by its own terms in the absence of any choice of law provision. Franchisee expressly waives any rights or protections it has or may have under any statute or law of any other state to the fullest extent permitted by law.

25. The Franchisee's sole recourse for claim arising between the parties will be against the Franchisor or its successors and assigns. No party will be entitled to an award of punitive or exemplary damages, except to the extent that such damages were awarded against a party in favor of a third party. No previous course of dealing will be admissible to explain, modify, or contradict the terms of this Agreement.

26. Any dispute, controversy or claim arising under, out of, or relating to, the relationship of the parties, the franchised business, or to this Agreement and any subsequent amendment of this Agreement including, without limitation, its formation, validity, binding effect, interpretation, performance, enforceability, breach or termination, as well as non-contractual claims (collectively, a "Dispute"), shall be subject to the dispute resolution provisions under Section 21.10 and 21.11 of the Franchise Agreement

IN WITNESS WHEREOF the parties have executed this Agreement on the date first above written.

Osmow's FZ CORP.

Per: _____
Ben Osmow, CEO
I have authority to bind the Corporation.

[**FRANCHISEE**]

Per: _____
[Name], A.S.O.
I have authority to bind the Corporation.

SCHEDULE 8
FRANCHISOR RIDER

Franchisor Rights Rider

(a) Notwithstanding anything to the contrary contained in the ensuing lease, it is agreed that if the franchise agreement dated [Please Insert Date] (the "Franchise Agreement") and made between [Please Insert Name of Franchisee] (the "Tenant") and Osmow's FZ Corp., as the franchisor (the "Franchisor") expires or is terminated for any reason whatsoever, the Tenant's rights hereunder shall, at the option of the Franchisor be transferred and assigned to the Franchisor. Such option may be exercised by the Franchisor delivering notice in writing to the Landlord acknowledging its intention to transfer the ensuing lease of the Premises to the Franchisor, within ten (10) days following the expiry or termination of the Franchise Agreement, such notice to specify, among other things, the date of such expiration or termination. The Tenant acknowledges and agrees that the Landlord: (i) may rely upon such notice, (ii) shall not be required to enquire into the due execution thereof or the accuracy of the statements set forth therein; and (iii) shall have no liability to the Tenant related thereto.

(b) Upon receipt of the notice from the Franchisor, the Landlord shall assign the ensuing lease and the Tenant's rights hereunder to the Franchisor, provided the Franchisor has cured any and all defaults of the Tenant, as required by the Landlord, and the Tenant and the Franchisor will enter into a tri-party agreement with the Landlord agreeing to be bound by all of the terms and conditions of the ensuing lease as of the effective date of the assignment. In the absence of a tri-party agreement, the Franchisor will enter into an assumption agreement with the Landlord.

(c) The Franchisor shall thereafter have the right to sublease and assign the Premises to a duly qualified franchisee at no additional cost pursuant to the terms of the ensuing lease.

(d) The Landlord shall give written notice to the Franchisor (concurrent with giving of such notice to the Tenant pursuant to the terms of the ensuing lease) of any default by the Tenant under the ensuing lease and the Franchisor, at its sole option, shall have, after the expiry of the period during which the Tenant may cure such default, an additional seven (7) days to cure any such default and provide the Landlord with written notice that the Franchisor will assume the ensuing lease.

(e) The Landlord and the Tenant agree that the Franchisor shall have the right to enter the Premises to protect the Franchisor's trademark and to make any modifications necessary to the Premises to conform with the standards and specifications required by the Franchisor, all of which are subject to the prior written consent and approval of the Landlord, not to be unreasonably withheld.

(f) If the Franchise Agreement is to expire or terminate and the Franchisor has elected to not assume the Lease, the Franchisor shall have the right to enter the Premises to

protect the Franchisor's trademark and to make any modifications necessary to the Premises to de-identify the Premises (including changing the colour scheme and other distinctive design features) and remove personal property from the Premises that the Franchisor or its affiliates own or have a security interest in, and take any other steps reasonably necessary to protect the Franchisor's rights to its trademarks, proprietary marks, trade secrets, confidential information and distinctive forms, slogans, signs, symbols or devices associated with the Osmow's system. The franchisor shall repair any damage to the Premises resulting therefrom.

(g) The Landlord shall not accept a surrender of this Lease from the Tenant or allow the Lease to expire as a result of the Tenant's failure to exercise any right provided in the Lease to renew or extend the term without first offering to assign the Lease to the Franchisor for the unexpired portion of the Lease including any extensions thereto. The Landlord shall advise the Franchisor of any such Tenant surrender or non-renewal. non-extension and the Franchisor shall have 10 days from receipt of such notice to accept the assignment offer either on its behalf or a replacement franchisee. The Landlord will not consent to the Tenant's assignment, sublet, other transfer or subordination of its interest in the Lease in whole or in part or reduction in term without the prior written approval of the Franchisor. Any such unconsented transfer or modification shall be of no force or effect.

(h) The Franchisor agrees and covenants that in the event that the Franchisor enters the Premises pursuant to this Schedule, then the Franchisor will be bound by the terms and conditions of the ensuing lease as if it were a party hereto.

The Franchisor's address is 407 Matheson Blvd., East, Mississauga, ON, L4Z 2H2.
Email: legal@osmows.com

Osmow's FZ CORP.

Name:_____
Title:_____
I have the authority to bind the corporation.

SCHEDULE 9
PREMISES DEVELOPMENT SUPERVISION AGREEMENT

Osmow's FZ Corp. (the "**Franchisor**") and

_____(hereinafter referred to as the "**Franchisee**") and _____(the Guarantor(s)) are parties to a Franchise Agreement dated [ ], (the "**Franchise Agreement**") and desire to supplement its terms, as set out below. Capitalized terms not defined herein shall have the meaning given thereto in the Franchise Agreement.

1. At the expense and on behalf of the Franchisee, the Franchisor shall prepare the design plan drawings ("Drawings") for use by the Franchisee for its submission to the Landlord for approval and to its contractors and other professionals to apply for the required permits for the construction of the Premises. The Franchisee shall be responsible for the supervision of the construction and installation at the Premises of all required improvements, furnishings, Equipment and Furnishings, opening inventory and supplies in order to permit the Franchisee to commence its operation of the Franchised Restaurant at the Premises. The construction, equipping and furnishings of the Premises is herein called the "**Development of the Premises**".

2. The Franchisee shall:

(a) ensure that all Development of the Premises is carried out in accordance with the Franchisor's design instructions, Drawings and list of approved materials, equipment and IT/camera system and suppliers;

(b) be responsible for obtaining all required permits, authorizations including that of the landlord of the Premises, licenses and other approvals for the Development of the Premises and the operation of the Premises;

(c) comply with the requirements of all laws, by-laws and regulations including all applicable construction lien legislation; and

(d) be responsible for all costs incurred with the Development of the Premises; including applicable utilities, insurance and rent costs.

3. The Franchisee shall use one of the Franchisor's approved contractors for the Development of the Premises, or shall submit its preferred contractor to the Franchisor for its prior written approval.

4. The Franchisor and its representatives shall have the right to inspect the Premises and Development of the Premises at any time without prior written notice to the Franchisee. Upon inspecting the Premises, the Franchisor shall notify the Franchisee of any deficiencies that need to be remedied, including any unauthorized products usage and Franchisee shall remedy same.

5. The Franchisee requires the Franchisor's prior written approval to open the Franchised Restaurant to the public for business. Once the Franchisee notifies the Franchisor that

the Development of the Premises is complete, the Franchisor or its representative shall attend at the Premises to inspect and ensure that all work was carried out in accordance with the design, Drawings and material and equipment as set out by the Franchisor. The Franchisor will notify the Franchisee of any deficiencies noted during its inspection that must be remedied before the Franchisor will consent to the Franchisee operating from the Premises. If the Franchisee fails to remedy the identified deficiencies in a timely manner, the Franchisor reserves the right to remedy the deficiencies at the sole cost and expense of the Franchisee plus an administrative fee of 15%. In undertaking this work on behalf of the Franchisee, the Franchisor shall not be liable for any delays or expenses incurred by or on behalf of the Franchisee.

6. All costs and expenses incurred by the Franchisor in connection with this Development Agreement shall be deemed to be the costs and expenses of the Franchisee and the Franchisor shall not be liable for any such costs and expenses by reason of any service provided by it pursuant to this Development Agreement. If any such costs and expenses are paid by the Franchisor in the first instance from its own funds, the Franchisor may reimburse itself for the amount so paid out of the funds advanced by the Franchisee pursuant to Paragraph 7 hereof.

7. Concurrently with the execution of this Development Agreement the Franchisee shall pay to the Franchisor an amount of $15,000 + applicable sales tax. Additional costs incurred by the Franchisor under this Development Agreement shall be paid from time to time in accordance with invoices provided by the Franchisor, and, in any event prior to the opening date of the Franchised Business. In the performance of the Franchisor's services hereunder it may be necessary or required for the Franchisor to engage and retain all architects, engineers, subcontractors and other professionals. The Franchisee hereby approves such fee acknowledging that the estimate is not a guarantee of the cost to the Franchisee and that factors beyond the control of the Franchisor may cause an increase to the cost of the expenses incurred by the Franchisor in conducting its obligations hereunder, including hiring architects and other professionals to survey the Premises, prepare Electrical and Mechanical drawings including elevations and other base building drawings.

8. The Franchisee agrees that the Franchisor has no responsibility in the event the Premises is required to be opened earlier than or is delayed from the anticipated opening date; the Franchisor, its officers, directors, shareholders, employees and representatives, do not make or give the Franchisee any representations, warranties, promises, commitments, covenants or guarantees (oral or written) of any kind as to the expenses which may be incurred by the Franchisee to design, construct, equip, fixture and otherwise complete the development of the Premises; the Franchisor's opinion shall be final and binding on the Franchisee with respect to all matters regarding any work carried out at the Premises including without limitation, the state of completion of the improvements, whether or not the work was completed in a good and workmanlike manner in accordance with the applicable plans and specifications and provisions of the Franchisee's lease, and whether or not the Premises and other required items are acceptable. Under no circumstances shall the Franchisor, nor any of its officers, directors, shareholders, employees and representatives, be responsible for or have any liability for improvements that cannot be completed, if any equipment required by the Franchisor in order to prepare, store, serve and otherwise operate the business, smallwares (such as the hard goods, paper items, linens, and other items used in connection with the preparation, service, and consumption of food and beverages such as by way of example but without limitation,

containers, cartons, cutlery, utensils, dishes, napkins, glasses, tablecloths, bags, cups, saucers, pots, pans, knives, and other like items) or other required items not being delivered on predetermined time schedules, nor if any work cannot proceed or be completed for any reason. Without limiting the foregoing, neither the Franchisor, nor any of its officers, directors, shareholders, employees and representatives, shall be responsible for or otherwise liable, where the plans and specifications change from those which may have been provided to the Franchisee and/or otherwise approved of by the landlord of the Premises. The Franchisor shall not be liable where costs change because of changes to the plans and specifications or otherwise, or where disruptions occur in the carrying out of any work, or where the business to be carried on at the Premises does not comply with applicable zoning and other laws, rules and regulations.

9. This Development Agreement shall be considered an integral part of the Franchise Agreement between the parties hereto and shall be binding upon the Franchisor, the Franchisee, the Guarantors and their respective heirs, executors, administrators, successors and assigns.

10. Subject to the Franchisor's rights under federal trademark laws and the parties' rights under the Federal Arbitration Act, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the State of Delaware without regard to principles of conflicts of law, except that no Delaware statute or regulation will apply or will give rise to any right or claim except to the extent that the Franchisee is conducting business in the State of Delaware and such statute or regulation would apply to this Agreement by its own terms in the absence of any choice of law provision. Franchisee expressly waives any rights or protections it has or may have under any statute or law of any other state to the fullest extent permitted by law

11. The Franchisee's sole recourse for claims arising between the parties will be against the Franchisor or its successors and assigns. No party will be entitled to an award of punitive or exemplary damages, except to the extent that such damages were awarded against a party in favor of a third party. No previous course of dealing will be admissible to explain, modify, or contradict the terms of this Agreement.

12. Any dispute, controversy or claim arising under, out of, or relating to, the relationship of the parties, the franchised business, or to this Agreement and any subsequent amendment of this Agreement including, without limitation, its formation, validity, binding effect, interpretation, performance, enforceability, breach or termination, as well as non-contractual claims (collectively, a "Dispute"), shall be subject to the dispute resolution provisions under Section 21.10 and 21.11 of the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement this __day of _____, 20__

Osmow's FZ Corp.

Per: _____
Ben Osmow
I have the authority to bind the Corporation

[**Franchisee**]

Per:_____
Name:
I have the authority to bind the _____

GUARANTORS

SIGNED AND DELIVERED)
in the presence of)
)
)

_____ _____
) Name:
)
)
_____) _____
) Name:

SCHEDULE 10
STATE AMENDMENTS TO THE FRANCHISE AGREEMENT

See attached.

AMENDMENT TO FRANCHISE AGREEMENT FOR OSMOW'S FZ CORP.

FOR THE STATE OF CALIFORNIA

The Osmow's Franchise Agreement between_____("**Franchisee**" or "**You**") and Osmow's FZ Corp. dated_____, 20__(the "**Agreement**") may, to the extent required by applicable and enforceable state law, be amended as follows (the "**Amendment**"):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Business Oversight requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. BUS. & PROF. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq (collectively the "Acts"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If the 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.).

b. If the Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the Acts (such as those contained in Sections 4(2)(g), 6(4) and 15(2)(c) of the Franchise Agreement).

c. If the Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.

d. If the Agreement contains a covenant not to compete which extend beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.

e. The Agreement requires binding arbitration. The arbitration will occur in Wilmington, Delaware with each party bearing its own costs and the costs of arbitration and administration being apportioned by the arbitrator. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Agreement restricting venue to a forum outside the State of California.

f. If the Agreement requires that it be governed by a state's law, other than the State of California, such requirement may be unenforceable.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. This Amendment supersedes any inconsistent provision in the Agreement, but only to the extent necessary to make the Agreement consistent with the then valid requirements of an applicable and enforceable state law and only for so long as such state law remains in effect.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Amendment and that it has had the opportunity to obtain the advice of counsel. The parties have duly executed and delivered this Amendment to the Agreement on
_____, 20__.

Osmow's FZ CORP.

By: _____
Name: _____
Title: _____

FRANCHISEE

By: _____
Name: _____
Title: _____

AMENDMENT TO FRANCHISE AGREEMENT FOR OSMOW'S FZ CORP. FOR THE STATE OF ILLINOIS

The Osmow's Franchise Agreement between _____("**Franchisee**" or "**You**") and Osmow's FZ Corp. dated _____, 20__(the "**Agreement**") may, to the extent required by applicable and enforceable state law, be amended as follows (the "**Amendment**"):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Rev. Stat. ch. 815 para. 705/1 - 705/44 (1994) (the "Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Paragraphs 705/19 and 705/20 of the Act provide rights to You concerning non- renewal and termination of this Agreement.

b. Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of the state of Illinois is void, provided that a franchise agreement may provide for arbitration in a forum outside of the state of Illinois.

c. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. This shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Act, applicable to the provision, are met independent of this Amendment. This Amendment shall have no force of effect if such jurisdictional requirements are not met.

3. This Amendment supersedes any inconsistent provision in the Agreement, but only to the extent necessary to make the Agreement consistent with the then valid requirements of an applicable and enforceable state law and only for so long as such state law remains in effect.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Amendment and that it has had the opportunity to obtain the advice of counsel. The parties have duly executed and delivered this Amendment to the Agreement on
_____, 20__.

Osmow's FZ CORP.

By: _____
Name: _____
Title: _____

FRANCHISEE

By: _____
Name: _____
Title: _____

AMENDMENT TO FRANCHISE AGREEMENT FOR OSMOW'S CORP. FOR THE STATE OF INDIANA

The Osmow's Franchise Agreement between _____("**Franchisee**" or "**You**") and Osmow's FZ Corp. dated _____, 20__(the "**Agreement**") may, to the extent required by applicable and enforceable state law, be amended as follows (the "**Amendment**"):

INDIANA LAW MODIFICATIONS

1. The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. '' 1 - 51 (1994) and the Indiana Deceptive Franchise Practices Act, Inc. Code Ann. ' 23-2-2.7 (1985) (individually the "Act" and collectively the "Acts"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Indiana Deceptive Franchise Practices Act provides rights to You concerning non-renewal and termination of this Agreement. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Acts, or a rule or order under the Acts, such release shall exclude claims arising under the Acts, and such acknowledgments shall be void with respect to claims under the Acts.

c. If the Agreement contains covenants not to compete upon expiration or termination of the Agreement that are inconsistent with the Indiana Deceptive Franchise Practices Act, the requirements of the Act will control.

d. The Indiana Deceptive Franchises Practices Act provides that substantial modification of the Agreement by Osmow's FZ Corp. requires written consent of the Franchisee. If the Agreement contains provisions that are inconsistent with this requirement, the Act will control.

e. If the Agreement requires litigation to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation under the Indiana Deceptive Franchise Practices Act ' 23-2-2.7(10).

f. If the Agreement requires that it be governed by a state's law, other than the State of Indiana, to the extent that such law conflicts with the Acts, the Acts will control.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Acts, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. This Amendment supersedes any inconsistent provision in the Agreement, but only to the extent necessary to make the Agreement consistent with the then valid requirements of an applicable and enforceable state law and only for so long as such state law remains in effect.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Amendment and that it has had the opportunity to obtain the advice of counsel. The parties have duly executed and delivered this Amendment to the Agreement on
_____, 20__.

Osmow's FZ CORP.

By:_____
Name: _____
Title: _____

FRANCHISEE

By: _____
Name: _____
Title: _____

MARYLAND

The Osmow's Franchise Agreement between _____("**Franchisee**" or "**You**") and Osmow's FZ Corp. dated _____, 20__(the "**Agreement**") is amended as follows:

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. §14-201 et seq. (2010 Repl. Vol. and Supp. 2011) and the rules and regulations promulgated thereunder (the "Act"). To the extent that the Agreement contains provisions that are inconsistent with Maryland law, including the Act, such provisions are hereby amended by the following:

a. Each provision in the Agreement requiring you to execute a release of claims as a condition of renewal, sale, assignment, transfer or upon termination and each release that you may be required to sign as a condition to entering into a Franchise Agreement for an additional Restaurant at a reduced Continuing Fee percentage that would negate or remove from judicial review any statement, misrepresentation or action that violates the Act will exclude claims arising under the Act.

b. No representation or acknowledgement in the Agreement will act as a release, estoppel or waiver of any liability incurred under the Act.

c. Any limitation of claims provisions in the Agreement will not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim under the Act. Claims under the Act must be brought within 3 years after the grant of the franchise to the Franchisee.

d. If the Agreement requires litigation to be conducted in a forum other than the State of Maryland, the requirement will not be interpreted to limit any rights Franchisee may have under the Act to bring suit in the State of Maryland.

e. The Act permits a franchisee to bring a lawsuit in Maryland for claims arising under the Act.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Amendment and that it has had the opportunity to obtain the advice of counsel. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20___.

Osmow's FZ CORP.

By:_____
Name: _____
Title: _____

FRANCHISEE

By: _____
Name: _____
Title: _____

MINNESOTA

The Osmow's Franchise Agreement between ("Franchisee" or "You") and Osmow's FZ Corp. dated , 20 (the "Agreement") may, to the extent required by applicable and enforceable state law, be amended as follows (the "Amendment"):

MINNESOTA LAW MODIFICATIONS

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Miss. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Act"). To the extent that the Agreement and Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended:

(a) The Minnesota Department of Commerce requires that Osmow's indemnify Minnesota licensees against liability to third parties resulting from claims by third parties that the Franchisee's use of the Marks infringes trademark rights of the third party. Under Section 11(4) of the Agreement, Osmow's does indemnify against the consequences of Franchisee's use of the Marks but only to a maximum amount equal to the initial franchise fee paid by Franchisee. If this indemnification provision is inconsistent with Minnesota Department of Commerce requirements, it shall be superseded by these requirements and shall have no force or effect.

(b) The Act, Sec. 80C.14, Subd. 4. requires, except in certain specified cases, that a franchisee be given written notice of a franchisor's intention not to renew 180 days prior to expiration of the franchise and that the franchisee be given sufficient opportunity to operate the franchise in order to enable the franchisee the opportunity to recover the fair market value of the franchise as a going concern. If the Agreement contains a provision that is consistent with the Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.

(c) The Act, Sec. 80C.14, Subd. 3. requires, except in certain specified cases that a franchisee be given 90 days notice of termination (with 60 days to cure). If the Agreement contains a provision that is inconsistent with the Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.

(d) If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, such release shall exclude claims arising under the Act, and such acknowledgments shall be void with respect to claims under the Act.

(e) If the Agreement requires it be governed by a state's law, other than the State of Minnesota or provides for arbitration or mediation, these provisions shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

(f) The Act, Sec. 80C17, Subd.5., states that no civil action may be commenced for violation of the Act more than 3 years after the cause of action accrues. Section 21(26)(f) of the Agreement also contains certain time limits on commencing actions under the Agreement. To the extent that these limitations are inconsistent with those under the Act, these provisions of the Agreement are superseded by the Act's requirements and shall have no force or effect.

2. Each provision of this Agreement shall be effective only to the extent that the jurisdictional requirements of the Minnesota law, applicable to the provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. This Amendment supersedes any inconsistent provision in the Agreement, but only to the extent necessary to make the Agreement consistent with the then valid requirements of an applicable and enforceable state law and only for so long as such state law remains in effect.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Amendment and that it has had the opportunity to obtain the advice of counsel. The parties have duly executed and delivered this Amendment to the Agreement on_____, 20__.

Osmow's FZ CORP.	**FRANCHISEE**
By:_____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

NEW YORK

The Osmow's Franchise Agreement between _____("**Franchisee**" or "**You**") and Osmow's FZ Corp. dated _____, 20__(the "**Agreement**") may, to the extent required by applicable and enforceable state law, be amended as follows (the "**Amendment**"):

NEW YORK LAW MODIFICATIONS

1. The New York Department of Law required that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989) (the "Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act or any regulation, rule or order under the Act, such release shall exclude claims arising under the Act or any regulation, rule or order under the Act, and such acknowledgement shall be void. It is the intent of this provision that the non- waiver provisions of Sections 687.4 and 687.5 of the Act be satisfied.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Act. With respect to each such provision, are met independent of this Agreement. This Agreement shall have no force or effect if such jurisdictional requirements are not met.

3. This Amendment supersedes any inconsistent provision in the Agreement, but only to the extent necessary to make the Agreement consistent with the then valid requirements of an applicable and enforceable state law and only for so long as such state law remains in effect.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Amendment and that it has had the opportunity to obtain the advice of counsel. The parties have duly executed and delivered this Amendment to the Agreement on
_____, 20__.

Osmow's FZ CORP.	**FRANCHISEE**
By:_____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

NORTH DAKOTA

The Osmow's Franchise Agreement between _____("**Franchisee**" or "**You**") and Osmow's FZ Corp. dated _____, 20__(the "**Agreement**") may, to the extent required by applicable and enforceable state law, be amended as follows (the "**Amendment**"):

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51 19, Sections 51 19 01 through 51 19 17 (1993) (the "Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Covenants not to compete during the terms of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota law, if the Agreement contains a covenant not to compete which is inconsistent with North Dakota law, the covenant may be unenforceable.

b. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the Act. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.

c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the Act.

d. If the Agreement requires payment of liquidated damages or a termination penalty, the requirement may be unenforceable under the Act.

e. If the Agreement requires that it be governed by a state's law, other than the State of North Dakota, North Dakota law will control.

f. If the Agreement requires the Franchisee to waive the Franchisee's right to a jury trial, the requirement may be unenforceable under North Dakota law.

g. If the Agreement requires the Franchisee to waive the Franchisee's right to make a claim for exemplary or punitive damages, the requirement may be unenforceable under North Dakota law.

h. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Act, and such acknowledgments shall be void with respect to claims under the Act.

i. If the Agreement requires the Franchisee to consent to a limitation of claims that is shorter than the statute of limitations under North Dakota law, the statute of limitations under North Dakota law applies.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of North Dakota law, including the Act, applicable to the provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. This Amendment supersedes any inconsistent provision in the Agreement, but only to the extent necessary to make the Agreement consistent with the then valid requirements of an applicable and enforceable state law and only for so long as such state law remains in effect.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Amendment and that it has had the opportunity to obtain the advice of counsel. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20___.

Osmow's FZ CORP.	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RHODE ISLAND

The Osmow's Franchise Agreement between _____ ("**Franchisee**" or "**You**") and Osmow's FZ Corp. dated _____, 20__ (the "**Agreement**") may, to the extent required by applicable and enforceable state law, be amended as follows (the "**Amendment**"):

RHODE ISLAND LAW MODIFICATIONS

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law. ch. 395 Sec. 19-28.1-1 - 19-28.1-34 (the "Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement may be void under the Act.

b. If the Agreement requires that it be governed by a state's law, other than the State of Rhode Island, to the extent that such law conflicts with the Act it may be void under the Act.

c. If the Franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release shall exclude claims arising under the Act, and such acknowledgments shall be void with respect to claims under the Act.

2. Add the following language to Section 19.3 of the Franchise Agreement:

"Franchisees have no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are determined to have been caused solely and directly by the indemnified party's negligence, willful misconduct, strict liability, or fraud."

Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. This Amendment supersedes any inconsistent provision in the Agreement, but only to the extent necessary to make the Agreement consistent with the then valid requirements of an applicable IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Amendment and that it has had the opportunity to obtain the advice of counsel. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20___.

Osmow's FZ CORP.	**FRANCHISEE**
By:_____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

WASHINGTON

The Osmow's Franchise Agreement between _____ ("**Franchisee**" or "**You**") and Osmow's FZ Corp. dated _____, 20__ (the "**Agreement**") may, to the extent required by applicable and enforceable state law, be amended as follows (the "**Amendment**"):

WASHINGTON LAW MODIFICATIONS

1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment protection Act, WA Rev. Code §§19.100.010 to 19.100.940 (1991) (the "Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

b. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

c. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

d. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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 status of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

e. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

f. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unlessthe employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annual for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

g. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

2. Sections 15.10, 19.3, 19.7, 19.13 and 19.16 of the Franchise Agreement are amended to add:

"Franchisees have no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are determined to have been caused solely and directly by the indemnified party's negligence, willful misconduct, strict liability, or fraud."

3. The following sentence is added to Section 5.2(b):

"If the franchisee or its affiliate is the owner of the Location, the franchisor's rights to take ownership of the Location or assume the lease for the Location provided under the Franchise Rider (Schedule 8) will not apply."

4. The following sentence in Section 5.3 is deleted:

"The Franchisor shall not be obligated to solicit competitive bids for any work performed or merchandise supplied in connection with such development."

5. Section 7.6 of the Franchise Agreement is amended to read:

"The Franchisor and its affiliates disclaim all warranties, including the implied warranties of merchantability and fitness for a particular purpose, with respect to any goods and/or services provided by them, except for written warranties provided by them." The provisions in Sections 9.20(a) and (b) (Non-Competition) are subject to state laws.

6. The provisions in Section 9.21 (Acknowledgement of Reasonableness) do not apply to Washington franchisees.

7. Franchisor's ability to purchase the franchisee's entire interest in the franchise business at any time under Section 15.4 is deleted.

8. The requirement in Section 15.5 requiring the payment of a transfer fee is subject to state law.

9. The requirement in Section 15.5(o) that the franchisee must agree to remain bound by the franchise agreement following the franchisor's consent to transfer the franchise to another franchisee is replaced by the requirement that the franchisee must agree to remain bound by all of the post-termination provisions of the franchise agreement following the franchisor's consent to transfer the franchise to another franchisee.

10. Section 15.7 is amended to read:

"Subject to Sections 15.3 and 19.7, upon the death or deemed Incapacity of any person with any interest in the Franchised Business or in the Franchisee or upon the dissolution or winding-up of a Franchisee that is a partnership, limited liability company or corporation, the executor, administrator, personal representative or trustee of such person or entity will transfer his, her, or its interest to a third party approved by the Franchisor within 6 months or 180 days of the death or deemed Incapacity. Such transfers, including without limitation, transfers by devise or inheritance, will be subject to the same conditions as any transfer between living persons."

11. The provisions in Article 15.10 (No Liability for Transfer) do not apply to claims made under the Franchise Investment Protection Act, chapter 19.100 RCW, of the Securities Act of Washington, chapter 21.20 RCW and are subject to state law.

12. The following is added to Article 17:

"Franchisee or Franchisor may terminate the Franchise Agreement under any grounds provided for by law."

13. Section 19.3 granting the Franchisor a power of attorney is deleted.

14. The following is added to Article 21.8 (Governing Law):

"These provisions do not apply to claims rising under the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted hereunder in accordance with RCW 19.100.22(2)."

15. The acknowledgement provisions in Article 21.16, 21.17, 21.18 and 21.19 of the Franchise Agreement do not apply to Washington franchisees.

16. The provisions in Section 17 (Applicable Law) of Schedule 2 (Personal Guarantee and Postponement) and do not apply to claims rising under the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted hereunder in accordance with RCW 19.100.22(2).

17. The provisions in Section 10(i) (Governing Law) of Schedule 3 (General Security Agreement) do not apply to claims rising under the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted hereunder in accordance with RCW 19.100.22(2).

18. The following Section 5(c) of Schedule 4 - Sublease is deleted:

"At the option of the Tenant to be exercised by written notice to the Subtenant, the Subtenant shall present to the Tenant at the beginning of each year of the Term of this Sublease (including the first year of the Term) a series of twelve monthly post-dated checks to cover the payment of minimum rent and all other charges due and payable hereunder and under the Lease, for each year of the Term of the Sublease. Such post-dated checks, as aforesaid, shall be delivered by the Subtenant to the Tenant not later than ten (10) days prior to the commencement of each year of the Term except with respect to the first year of the Term, in which case, the Subtenant shall deliver the required post-dated checks on the execution of this Sublease."

19. The following provision in Section 5(e) of Schedule 4 is deleted:

"whether or not caused by the negligence or otherwise of the Tenant or those for whom the Tenant is in law responsible."

20. The following proviso in Section 5(f) of Schedule 4 is deleted:

", which consent by the Tenant may, notwithstanding any statutory provision or provisions to the contrary, be arbitrarily or unreasonably withheld"

21. The following sentence in Section 5(f) of Schedule 4 is deleted:

"Notwithstanding any assignment or sublease, the Subtenant shall remain jointly and severally liable under this Sublease and shall not be released from performing any of the terms, covenants and conditions of this Sublease or the Franchise Agreement."

22. The following proviso in Section 5(k) of Schedule 4 is deleted:

", which consent, notwithstanding any statutory provision or provisions to the contrary, may be arbitrarily or unreasonably withheld"

23. The following sentence in Section 19 of Schedule 7 is deleted:

"There is no representation, warranty, collateral agreement or condition, whether direct or collateral, or express or implied, which induced any party hereto to enter into this Agreement or on which reliance is placed by any such party, or which affects this Agreement or the Business other than as expressed herein."

24. This Amendment supersedes any inconsistent provision in the Agreement, but only to the extent necessary to make the Agreement consistent with the then valid requirements of an applicable and enforceable state law and only for so long as such state law remains in effect.

25. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Washington law, applicable to the provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Amendment and that it has had the opportunity to obtain the advice of counsel. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20___.

Osmow's FZ CORP.	**FRANCHISEE**
By:_____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

WISCONSIN

The Osmow's Franchise Agreement between _____ ("**Franchisee**" or "**You**") and Osmow's FZ Corp. dated _____, 20__ (the "**Agreement**") may, to the extent required by applicable and enforceable state law, be amended as follows (the "**Amendment**"):

WISCONSIN LAW MODIFICATIONS

1. The Securities Commissioner of the State of Wisconsin requires that certain provisions contained in franchise documents be amended to be consistent with Wisconsin Fair

Dealership Law, Wisconsin Statutes, Chapter 135 (the "Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

(a) The Act, among other things, grants You the right, in most circumstances, to 90 days' prior written notice of non-renewal and 60 days within which to remedy any claimed deficiencies. If the Agreement contains a provision that is inconsistent with the Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.

(b) If the Agreement requires that it be governed by a state's law, other than the State of Wisconsin, to the extent that any provisions of the Agreement conflicts with the Act such provision shall be superseded by the Act's requirements.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Act, applicable to the provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. This Amendment supersedes any inconsistent provision in the Agreement, but only to the extent necessary to make the Agreement consistent with the then valid requirements of an applicable and enforceable state law and only for so long as such state law remains in effect

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Amendment and that it has had the opportunity to obtain the advice of counsel. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20__.

Osmow's FZ CORP.

By:_____
Name: _____
Title: _____

FRANCHISEE

By: _____
Name: _____
Title: _____

EXHIBIT D

LOCATION HOLD AGREEMENT

LOCATION HOLD AGREEMENT

THIS AGREEMENT is made this __ day of _____, _____.

B E T W E N:

Osmow's FZ CORP.,

(the "**Franchisor**")

and -

Name of Prospective Franchisee Company:_____

(the "**Prospective Franchisee**" or "**PF**")

and -

Individual Prospective Franchisee(s)_____

_____, and

_____
(collectively, the "Guarantors")

WHEREAS the Franchisor has offered the PF and Guarantors (collectively, the "**PF Parties**") the opportunity to purchase an Osmow's restaurant franchise to be located at _____(insert address) (the "**Franchise**") as described in its franchise disclosure document (the "**FDD**") delivered by the Franchisor to the PF Parties (collectively, the "**Offer**");

AND WHEREAS at least 14 calendar days have passed since delivery of the FDD;

AND WHEREAS the PF Parties wish to delay signing the proposed franchise agreement between the PF Parties and the Franchisor with respect to the Franchise (the "Franchise Agreement") and request that the Franchisor refrain from offering the Franchise to any other prospective franchisee and the Franchisor has agreed to do so pursuant to the terms and conditions of this Agreement;

NOW THEREFORE in consideration of the mutual covenants and agreements herein and the sum of $5,000 plus all applicable taxes paid by the PF to the Franchisor and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

1. **HOLD FEE**

1.1. The PF hereby agrees to pay a fee in the amount of $5,000 plus all applicable taxes (the "**Hold Fee**") to the Franchisor upon execution of this Agreement. The PF Parties acknowledge that the Franchisor refraining from offering the Franchise to any other prospective franchisee constitutes consideration for the payment of the Hold Fee and that the Hold Fee is fully- earned by the Franchisor upon payment and, subject to Section 3.3 below, is not refundable.

1.2 In the event the PF executes the Franchise Agreement prior to this Agreement expiring or otherwise being terminated, the Hold Fee will be applied to the initial franchise fee owed thereunder.

2. **TERM AND FRANCHISOR'S OBLIGATIONS**

2.1 During the term of this Agreement, the parties shall endeavor, in good faith, to execute the Franchise Agreement.

2.2 Provided that the PF Parties are in strict compliance with the provisions hereof, the Franchisor shall not grant or offer to grant to any third party the Franchise.

2.3 The Offer is exclusive to the PF solely for the period commencing on the execution of this Agreement and expiring on the earlier of (a) the execution of the Franchise Agreement; (b) the termination of this Agreement by any of the parties; (c) 14 calendar days from the earlier of execution of this Agreement and payment of the Hold Fee; and (d) notice from the PF that it wishes to be offered the right to purchase an Osmow's restaurant franchise located, or to be located, at a different place than that identified in the recitals of this Agreement. Each of the PF Parties acknowledge that after such period, the right to purchase the Franchise is non-exclusive and the Franchisor may thereafter enter into a franchise agreement with other franchisees to open and operate the Franchise or may itself open and operate the Franchise.

3. **TERMINATION**

3.1 The PF Parties may terminate this Agreement at any time by providing at least two days' prior written notice to the Franchisor.

3.2 The Franchisor may terminate this Agreement at any time and immediately without notice if:

3.2.1 it is discovered that any of the PF Parties have made any material misrepresentation in any franchise application or other information submitted to the Franchisor;

3.2.2 bankruptcy or insolvency proceedings are commenced by or in respect of any of the PF Parties; or

3.2.3 the PF Parties fail to cure any curable default under this Agreement within 7 calendar days of written notice of such default,

and each of the events listed in this Section 3.2 constitute a default under this Agreement ("Cause").

3.3 The Franchisor may terminate this Agreement without Cause, at any time, effectively immediately upon delivery of written notice to the PF Parties. If, and only if, the Franchisor terminates this Agreement without Cause and prior to this Agreement being otherwise terminated or expiring, the Franchisor will refund the entire amount of the Hold Fee to the PF without interest.

3.4 The obligation of the Franchisor to refund any monies to the PF in connection with Section 3.3 hereof shall be conditional upon each of the PF Parties first executing a general release, in the Franchisor's prescribed form, of any and all claims against the Franchisor, its affiliates and their respective shareholders, officers, directors, agents, and employees (such release not to include a release of any claims under franchise legislation that may apply).

3.5 In the event of the expiry or termination of this Agreement for any reason, the parties shall have no further liability to one another, except that the obligations of the PF Parties, which by their nature survive.

4. GENERAL PROVISIONS

4.1 This Agreement constitutes the entire agreement among the parties and supersedes and replaces all prior oral and written agreements and understandings, courses of conduct and dealings among the parties in connection with the subject matter hereof. Except as expressly provided, no past or future action, course of conduct, or failure to act relating to the Franchise Agreement, the Hold Fee or any negotiations in connection therewith, will give rise to or serve as a basis for any obligation or liability on the part of any of the parties.

4.2 The parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the State of Delaware without regard to principles of conflicts of law, except that no Delaware statute or regulation will apply or will give rise to any right or claim except to the extent that the Franchise is to be located in the State of Delaware and such statute or regulation would apply to this Agreement by its own terms in absence of any choice of law provision. PF Parties expressly waive any rights or protections they have or may have under any statute or law of any other state to the fullest extent permitted by law.

4.3 The PF Parties' sole recourse for claims arising between the parties will be against the Franchisor or its successors and assigns. No party will be entitled to an award of punitive or exemplary damages, except to the extent that such damages were awarded against a party in favor of a third party. No previous course of dealing will be admissible to explain, modify, or contradict the terms of this Agreement.

4.4 The parties waive all rights to a jury trial to the fullest extent permitted by law.

4.5 If any covenant or any other provision of this Agreement is invalid, illegal or incapable of being enforced by reason of any rule of law or public policy, such covenant or provision shall be severed. All other covenants and provisions shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

4.6 Any notice or other communication required or permitted to be given hereunder shall be sufficient if it is in writing and shall be delivered personally or sent by e-mail at their address set forth hereunder, namely:

TO THE FRANCHISOR:	Osmow's FZ CORP. Email: headoffice@osmows.com Attention: Ben Osmow
TO THE PF PARTIES:	Prospective Franchise:_____ Email:_____ Attention:_____

4.7 The PF Parties shall not assign or transfer any of their rights or obligations under this Agreement. The Franchisor may assign or transfer any of its rights or obligations under this Agreement at any time, in whole or in part, without the consent of the PF Parties, provided that the assignee thereof agrees in writing to assume all rights and/or obligations of the Franchisor so assigned, whereupon the Franchisor shall be fully and finally released as discharged therefrom.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first above written.

Osmow's FZ CORP.

Per: _____
Ben Osmow, C.E.O.

I have authority to bind the Corporation.

_____
(Print name of prospective franchisee company above)

Per: _____

Name:
Title:

I have authority to bind the _____.

EXHIBIT E

FORM OF RELEASE

FORM OF RELEASE

This GENERAL RELEASE ("Release") is made this [Day] day of [Month], [Year], by [Franchise Name] ("Releasor"), as franchisee under and signatory to that certain Franchise Agreement dated [Date of Franchise Agreement] for the location of [Location] (the "Franchise Agreement") entered into by and between Osmow's FZ Corp. ("Franchisor") and Releasor. This Release is being executed pursuant to the requirements of the Franchise Agreement as a condition of the rights granted by Franchisor to Releasor therein, and for other good and valuable consideration, the receipt of which is acknowledged by the parties. [Franchisor is terminating the Location Hold Agreement without cause] or [Releasor is renewing the Franchise Agreement] or [Releasor is transferring the Franchise Agreement or underlying franchise].

1. **General Release.** Releasor and the owners, affiliates, officers, agents, directors, shareholders, members, managers, trustees, partners, employees, attorneys, spouses, heirs and assigns of Releasor (collectively the "Releasing Parties"), hereby release, quit claim, and forever discharge Franchisor, its affiliates, and their respective owners, affiliates, officers, agents, directors, shareholders, members, managers, trustees, partners, employees, attorneys, insurers, spouses, heirs and assigns (collectively the "Released Parties") of and from any and all manner of action and actions, cause and causes of action, claims, suits, damages, controversies, judgments, costs, fees, executions, and demands of any kind and nature whatsoever, at law or in equity, that the Releasing Parties had or now have, whether known or unknown, or contingent or fixed, for or by reason of, arising out of, or related to any matter, cause or thing whatsoever up until and including the date hereof (the "Claims"), except any claims under franchise legislation that may apply.

2. **Representations and Warranties.** Releasor represents and warrants to Company that, in entering into this Release, it (i) is doing so freely and voluntarily upon the advice of counsel and business advisor of its own choosing (or declined to do so, free from coercion, duress or fraud); has read and fully understands the terms and scope of this Release; (iii) realizes that it is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release; and (iv) has not assigned, transferred, or conveyed to any third party all or any part of or partial or contingent interest in any of the Claims which are called for to be released by this Release, that it is aware of no third party who contends or claims otherwise, and that it shall not purport to assign, transfer, or convey any such claim in the future.

3. **Waiver of Statutory Preservation Provisions.** Releasor and the Releasing Parties hereby expressly, voluntarily and knowingly waive, relinquish and abandon each and every right, protection and benefit to which Releasor and the Releasing Parties would be entitled, now or at any time hereafter under any statute, regulation, or common law principal of any jurisdiction, including Section 1542 of the Civil Code of the State of California, which provides as follows:

This waiver extends to any other statute or common law principle of similar effect in any applicable jurisdiction, including without limitation, California and or any other jurisdiction in which the Releasing Parties reside.

4. **Indemnity**. Without in any way limiting any of the rights and remedies otherwise available to any Released Party, Releasor shall defend, indemnify and hold harmless each Released Party from and against all Claims whether or not involving third party Claims, arising directly or indirectly from or in connection with (i) the assertion by or on behalf of Releasor or the Releasing Parties of any Claim or other matter purported to be released pursuant to this Release, (ii) the assertion by any third party of any Claim against any Released Party which Claim arises from, or in connection with, any Claim or other matter purported to be released pursuant to this Release; and (iii) any breach of representations, warranties or covenants by Releasor.

5. **Miscellaneous**.

i. This Release cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties hereto.

ii. This Release, together with the agreements referenced in this Release, constitute the entire understanding between and among the parties with respect to the subject matter of this Release. This Release supersedes any prior negotiations and agreements, oral or written, with respect to its subject matter. No representations, warranties, agreements or covenants have been made with respect to this Release, and in executing this Release, none of the parties is relying upon any representation, warranty, agreement or covenant not set forth in this Release.

iii. This Release may be executed in counterparts and may be delivered by facsimile or other electronic means.

iv. This Release shall be binding upon and inure to the benefit of the parties to this Release and their respective successors and permitted assigns.

v. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Release may require. Neither this Release nor any uncertainty or ambiguity in this Release shall be construed or resolved against the drafter, whether under any rule of construction or otherwise. On the contrary, this Release has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties. If any provision of this Release is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

vi. Any provision of this Release which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

vii. Each of the parties acknowledges that it had the right and opportunity to seek independent legal counsel of its own choosing in connection with the execution of this Release, and each of the parties represents that it has either done so or that it has voluntarily declined to do so, free from coercion, duress or fraud.

viii. The parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the State of Delaware without regard to principles of conflicts of law, except that no Delaware statute or regulation will apply or will give rise to any right or claim except to the extent that the Franchise is located in the State of Delaware and such statute or regulation would apply to this Agreement by its own terms in absence of any choice of law provision. Franchisee expressly waive any rights or protections it has or may have under any statute or law of any other state to the fullest extent permitted by law.

ix. Any dispute, controversy or claim arising under, out of, or relating to, the relationship of the parties, the franchised business, or to this Agreement and any subsequent amendment of this Agreement including, without limitation, its formation, validity, binding effect, interpretation, performance, enforceability, breach or termination, as well as non-contractual claims (collectively, a "Dispute"), shall be subject to the dispute resolution provisions under Section 21.10 and 21.11 of the Franchise Agreement.

(signature page to follow)

IN WITNESS WHEREOF, the parties have caused this General Release to be duly executed.

[This Form of Release will not be signed at the time the Franchise Agreement is executed. Sign an execution copy of this Form of Release only in conjunction with a termination of the Location Hold Agreement, a renewal of the Franchise Agreement or a transfer of the Franchise Agreement.]

FRANCHISOR:

Osmow's FZ CORP.

By: _____
Name: _____
Its: _____
Date of Execution:_____

RELEASOR:
[Company Name]
[ ] a _____general partnership;
[ ] a _____limited partnership;
[ ] a _____limited liability company;
[ ] a _____corporation
By: _____
Name: _____
Its: _____
Date of Execution: _____

EXHIBIT F

TABLE OF CONTENTS OF RESTAURANT TRAINING AND OPERATIONS MANUAL

[See attached]

Table of Content

Total # of Pages

Kitchen Prep… **2-16**

Salads & Appetizers… **17-22**

Wraps… **23-25**

Main Platters… **26-38**

Kitchen Cleanliness… **39**

Customer Care… **40**

EXHIBIT G

FINANCIAL STATEMENTS

Osmow's Fz Corp.
Financial Statements
December 31, 2024

(expressed in U.S. dollars)

Zeifmans

INDEPENDENT AUDITOR'S REPORT

To the Stockholder of Osmow's Fz Corp.

Opinion

We have audited the financial statements of Osmow's Fz Corp. (the "Corporation"), which comprise the balance sheet as of December 31, 2024, and the related statements of operations, stockholder's deficiency, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2024, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Zeifmans LLP

Toronto, Ontario
May 22, 2025

Chartered Professional Accountants
Licensed Public Accountants

Osmow's Fz Corp.
Balance Sheet
As at December 31, 2024
(expressed in U.S. dollars)

	Notes	2024
		$
ASSETS		
Current assets		
Cash		344,945
Other receivables		1,382
Total current assets		346,327
Non-current assets		
Operating lease right-of-use assets, net	6	431,610
Leasehold improvements, net	7	387,034
Total non-current assets		818,644
TOTAL ASSETS		**1,164,971**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		281,719
Due to related parties	8	339,858
Franchisee deposit		35,000
Operating lease liability	6	34,284
Total current liabilities		690,861
Non-current liabilities		
Long-term operating lease liability, net of current portion	6	401,230
Deferred revenues - initial franchise fees		131,658
Total non-current liabilities		532,888
TOTAL LIABILITIES		1,223,749
STOCKHOLDER'S DEFICIENCY		
Common stock	5	1
Additional paid-in capital	4,8	164,955
Accumulated deficit		(223,734)
TOTAL STOCKHOLDER'S DEFICIENCY		(58,778)
TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIENCY		**1,164,971**

Nature of operations and going concern – Note 1
Commitments and contingencies – Note 10
Subsequent event – Note 11

Approved on behalf of the Board of Directors on May 22, 2025:

Director

Osmow's Fz Corp.
Statement of Operations
For the year ended December 31, 2024
(expressed in U.S. dollars)

	2024 $
REVENUES	
Project management fees	50,000
Franchise rental	12,972
Franchise fees	8,341
Marketing fees	5,000
Other revenues	11,550
Total revenues	87,863
OPERATING COSTS AND EXPENSES	
Franchised restaurant expenses	39,106
General and administrative expenses	127,192
Amortization	28,230
Total operating costs and expenses	194,528
Operating loss	(106,665)
Interest and bank charges	16,693
Net loss	**(123,358)**

The accompanying notes are integral to these financial statements

Osmow's Fz Corp.
Statement of Stockholder's Deficiency
For the year ended December 31, 2024
(expressed in U.S. dollars except for the number of common stock)

	Number of common stock	Common stock	Additional paid-in capital	Accumulated deficit	Total
		$	$	$	$
Balance, December 31, 2023	100	1	-	(100,376)	(100,375)
Additional paid-in capital	-	-	164,955	-	164,955
Net loss	-	-	-	(123,358)	(123,358)
Balance, December 31, 2024	**100**	**1**	**164,955**	**(223,734)**	**(58,778)**

Osmow's Fz Corp.
Statement of Cash Flows
For the year ended December 31, 2024
(expressed in U.S. dollars)

	Notes	2024
		$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss		(123,358)
Adjustments for non-cash items		
Amortization		28,230
		(95,128)
Changes in working capital items:		
Other receivables		(1,382)
Accounts payable and accrued liabilities		256,231
Due to related parties		265,606
Franchisee deposit		35,000
Deferred revenues - initial franchise fees		131,658
Net cash provided by operating activities		591,985
CASH FLOWS FROM INVESTING ACTIVITIES		
Leasehold improvements		(400,380)
Net cash used in investing activities		(400,380)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution	4	50,000
Repayment of operating lease liability		(10,980)
Net cash provided by financing activities		39,020
Net change in cash		230,625
Cash, beginning of year		114,320
Cash, end of year		**344,945**

1. NATURE OF OPERATIONS AND GOING CONCERN

Osmow's Fz Corp. (the "Corporation") was incorporated on March 11, 2021, under the laws of the State of Delaware for the purpose of offering franchise opportunities to entrepreneurs who want to own their own Osmow's restaurant location as a franchise. As of December 31, 2024, the Corporation has entered into seven franchise agreements. The Corporation is a wholly owned subsidiary of Osmow's Holdings Inc. (the "Parent"). The Corporation was initially registered under the name Osmow's FL Corp. and changed its name to Osmow's Fz Corp. on January 11, 2022.

The Corporation's registered office address is 407 Matheson Blvd. E. Mississauga, Ontario, L4Z 2H2.

These financial statements have been prepared in accordance with accounting principles that apply to a going concern. This presupposes that the Corporation will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. The Parent has injected funds amounting to $164,955 into the Corporation to meet its financial needs. The Parent remains committed to the viability of the Corporation's operations. The management is confident in the profitable operations of the Corporation once the business is started, and till that time, the Parent is committed to supporting the Corporation's financial needs.

2. BASIS OF PRESENTATION

a) Statement of compliance

The financial statements for December 31, 2024, have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), consistently applied.

b) Basis of measurement and functional currency

These financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities, which have been measured at their fair values. The functional currency of the Corporation is the United States dollar.

c) Significant accounting judgments and estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

(i) Estimates

Income taxes

The determination of the Corporation's tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities.

(ii) Accounting judgments

Going concern

The assessment of the Corporation's ability to continue as a going concern and to raise sufficient funds to pay for its on-going operating expenditures, meet its liabilities for the ensuing year, and to fund planned project, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Lease term and discount rate

The determination of the lease term and the discount rate used to measure lease liabilities and right-of-use assets requires judgment. The Corporation evaluates whether renewal or termination options are reasonably certain to be exercised, which affects the recognized lease term. The Corporation also estimates its incremental borrowing rate to discount lease payments when the implicit rate in the lease is not readily determinable.

Impairment of long-lived assets

Management evaluates long-lived assets, which include leasehold improvements and operating lease right-of-use assets, for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Long-lived assets are grouped for recognition and measurement of impairment at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. The impairment test for long-lived assets requires to assess the recoverability of long-lived assets by comparing their net carrying value to the sum of undiscounted estimated future cash flows directly associated with and arising from our use and eventual disposition of the assets. If the carrying amount of a long-lived asset group exceeds the sum of related undiscounted future cash flows, the Corporation recognize an impairment loss by the amount that the carrying value of the assets exceeds fair value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash

The Corporation maintains its cash balance in a major U.S. financial institution. The balance is insured by the Federal Deposit Insurance Corporation up to $250,000 at the bank. As of December 31, 2024, the uninsured portion of the cash balance was $94,945.

b) Income taxes

The Corporation accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases.

The Corporation measures deferred tax assets and liabilities using enacted tax rates expected to be applied to taxable income in the years in which that temporary difference is expected to be recovered. Deferred tax assets are reviewed for recoverability every quarter. A valuation allowance is recorded to reduce the carrying amount of a deferred tax asset to its realizable value unless it is more likely than not that such an asset will be realized.

Income taxes are provided for the tax effects of transactions reported in the financial statements and generally consist of taxes currently due plus deferred taxes.

The Corporation evaluates all significant tax positions as required by U.S. GAAP. As of December 31, 2024, the Corporation does not believe that it has taken any position that would require the recording of any additional tax liability, nor does it believe that any unrealized tax benefits would either increase or decrease within a year.

c) Revenue recognition

The Corporation's revenues consist of franchisees' fees as a percentage of sales revenue from restaurants operated by franchisees. Project management fees and marketing fees are recognized as the goods or services are transferred to the franchisees, and related expenses are recognized as incurred. Initial franchise fees are recognized as the Corporation satisfies the performance obligations over the franchise term, which is generally 10 years. If the performance obligation related to the initial franchise fee is not satisfied by the due date, the fee is recognized as deferred revenue until the obligation is fulfilled.

Franchise agreements include license, management, and marketing fees, and provide for payment of initial fees, as well as continuing royalties to the Corporation based upon a percentage of sales.

During the year, royalty income was waived for three newly opened franchised restaurants from the commencement of their operations through December 31, 2024, as per management's decision.

Franchise rental and other revenues represent rent recovery and other expenses recovered from franchisees, which are recognized when their related expenses are incurred by the Corporation.

d) Operating lease

The Corporation is the lessee under lease agreement for a property. The operating lease right-of-use assets and corresponding operating lease liabilities represent the present value of estimated future minimum lease payments over the lease term, including any renewal options that are reasonably certain to be exercised. These amounts are discounted using the rate implicit in the lease, if available, or otherwise using a collateralized incremental borrowing rate based on the lease term and current economic conditions. Operating lease with an initial term of 12 months or less—are excluded from the right-of-use assets and lease liabilities, and are instead expensed on a straight-line basis over the lease term in the statement of operations.

e) Leasehold improvements, net

Leasehold improvements are generally amortized using the straight-line method based on the estimated useful lives of the improvement or the remaining term of the lease. Leasehold improvements amortization expense is included in the statement of operations.

f) Accounting standards issued but not yet effective

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Corporation has not early adopted any new standards and management has determined that there are no standards that are expected to have a significant impact on the Corporation's balance sheet, operations, or cash flows.

4. ADDITIONAL PAID-IN CAPITAL

At the end of the previous year, the Corporation owed $114,955 to the Parent. During the current year, it received an additional $50,000 from the Parent, bringing the total outstanding balance to $164,955 as of December 31, 2024. The Parent and the Corporation agreed to convert this outstanding balance into equity as additional paid-in capital. Interest accrued on the outstanding balance at an annual rate of 6%, amounting to $9,556, was included in the accounts payable and accrued liabilities prior to the conversion. Only the principal amount was converted to the additional paid-in-capital.

5. COMMON STOCK

Authorized: 5,000 common stocks

Issued	2024
	$
Common stock 100, with a par value of $0.0001	1

6. LEASE

The Corporation entered into a non-cancellable operating lease agreement for restaurant premises. The leased site is leased and/or subleased to franchisees. The initial term of lease is generally 10 years, exclusive of options to renew.

Operating lease right-of-use assets

	2024
	$
Operating lease right-of-use assets	446,494
Accumulated amortization	(14,884)
	431,610

The Corporation recognized an amortization expense of $14,884 for the year ended December 31, 2024, which is included in the statement of operations.

Operating lease liability

	2024
	$
Current portion of the operating lease liability	34,284
Non-current operating lease liability	401,230
	435,514

Maturity of lease liability
Future undiscounted lease payments as of December 31, 2024, are as follows:

	2024
Year	$
2025	52,407
2026	53,978
2027	55,597
2028	57,268
2029	58,987
Thereafter	299,291
Total future lease payments	577,528
Less: Imputed interest	142,014
Present value of lease liability	435,514

7. LEASEHOLD IMPROVEMENTS, NET

During the year ended December 31, 2024, the Corporation capitalized $400,380 in leasehold improvements related to leased premises. These improvements are being amortized over 10 years, which represents both their estimated useful life and the term of the lease. For the year ended December 31, 2024, the Corporation recognized amortization expense of $13,346, which is included in the statement of operations.

8. FRANCHISE AGREEMENT SIGNED DURING THE YEAR

On June 28, 2024, the Corporation entered into a franchise agreement with a franchisee to develop a restaurant. In connection with this agreement, the Corporation received funds from the franchisee and incurred related expenses as follows:

	2024
	$
Total amount received	211,550
Reimbursement of insurance	2,316
	213,866
Marketing fee charged	(5,000)
Payments made on behalf of the franchisee -recovered	(50,451)
Rental income	(12,972)
Admin expenses recovered	(11,550)
Net payable recorded as other payables (Note 12)	133,893

9. RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes personnel having the authority and responsibility for planning, directing, and controlling the Corporation and includes the directors and current executive officers. Related party transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established by and agreed to by the related parties. The related party transactions recorded during the year ended December 31, 2024, and the balance outstanding as of December 31, 2024, are as under:

The loan received from the Parent of $164,955 has been transferred to additional paid-in capital, during the year ended on December 31, 2024. Interest on the outstanding balance till the date balance is converted to addition paid in capital was accrued at a rate of 6%, amounting to $9,556, and is included in the accounts payable and accrued liabilities.

The Corporation has outstanding payable balances of $233,680 and $106,178 due to Osmow's Inc. and Osmow's US Corporation, both of which are related parties under common control. These balances represent amounts received during the period and remain outstanding as of the reporting date. The amounts are non-interest bearing and payable on demand.

10. CAPITAL MANAGEMENT

The Corporation's objectives when managing capital are to safeguard its ability to continue operating as a going concern so that it can provide returns for the stockholder. The Corporation considers the stockholder's deficiency and the balance owing to the stockholder as its equity. The Corporation manages the capital structure and adjusts it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to identify and evaluate potential acquisitions and business opportunities for the Corporation. To secure the additional capital necessary to pursue these plans, the Corporation may raise additional funds through equity or debt financing. The Corporation is not subject to any capital requirements imposed by a regulator.

11. COMMITMENTS AND CONTINGENCIES

The Corporation may be subject to pending legal proceedings and regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty, but the Corporation does not anticipate that the final outcome, if any, arising out of any such matter will have a material adverse effect on its business, financial condition or results of operations. As of December 31, 2024, the Corporation has not reported any lawsuit or known plans of litigation by or against the Corporation. The financial statements audited for the prior period ending December 31, 2023, included disclosures for two operating leases. In the current year, one of these leases was converted to a finance lease, as disclosed in Note 6 to the financial statements, while the other lease was cancelled.

12. SUBSEQUENT EVENT

On March 28, 2025, the Corporation terminated the franchise agreement at the time of termination, the franchisee had an outstanding balance of $133,893 (Note 8).

FINANCIAL STATEMENTS

Osmow's Fz Corp. Financial Statements December 31, 2023

(expressed in U.S. dollars)

INDEPENDENT AUDITOR'S REPORT

To the Stockholder of Osmow's Fz Corp.

Opinion

We have audited the financial statements of Osmow's Fz Corp. (the "Corporation"), which comprise the balance sheet as of December 31, 2023, and the related statements of operations, stockholder's deficiency, and cash flows for the period from August 1, 2023, to December 31, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023, and the results of its operations and its cash flows for the period from August 1, 2023, to December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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zeifmans.ca

416.256.4000

Zeifmans LLP is a member of Nexia International, a worldwide network of independent accounting

and consulting firms.

Zeifmans

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such

procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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

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

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

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

Zeifmans LLP

Toronto, Ontario Chartered Professional Accountants

February 28, 2024 Licensed Public Accountants

Osmow's Fz Corp.

Balance Sheet

As at December 31, 2023 (expressed in U.S. dollars)

	Notes	
		$
Assets		
Current		
Cash		
Total assets		

Liabilities Current	
Accounts payable and accrued liabilities	
Due to related party	
Non-current	
Due to stockholder	
Total liabilities	
Stockholder's deficiency	
Common stock	
Accumulated deficit	
Total stockholder's deficiency	(100,375)
Total liabilities and stockholder's deficiency	114,320

Nature of operations and going concern – Note 1 Subsequent event – Note 9

Approved on behalf of the Board of Directors on February 28, 2024:

Director Director

Osmow's Fz Corp.

Statement of Operations

For the period from August 1, 2023, to December 31, 2023 (expressed in U.S. dollars)

	$
Expenses	
Legal fees	
Audit fees	
Total expenses	
Net loss	

Osmow's Fz Corp.

Statement of Stockholder's Deficiency

For the period from August 1, 2023, to December 31, 2023 (expressed in U.S. dollars except for the number of common stock)

	Number of common stock	Common stock	Accumulated deficit	Total stockholder's deficiency
		$	$	$
Balance, August 1, 2023				
Net loss	-	-		
Balance, December 31, 2023				

Osmow's Fz Corp.

Statement of Cash Flows

For the period from August 1, 2023, to December 31, 2023

(expressed in U.S. dollars)

	$
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	
Changes in working capital items:	
Accounts payable and accrued liabilities	
Net cash provided by operating activities	
CASH FLOWS FROM FINANCING ACTIVITIES	
Due to related party	
Net cash provided by financing activities	
Net change in cash	-
Balance beginning of period	
Balance, end of period	

Osmow's Fz Corp.

Notes to the Financial Statements December 31, 2023

(expressed in U.S. dollars)

NATURE OF OPERATIONS AND GOING CONCERN

Osmow's Fz Corp. (the "Corporation") was incorporated on March 11, 2021, under the laws of the State of Delaware for the purpose of offering franchise opportunities to entrepreneurs who want to own their own Osmow's restaurant location as a franchise. The Corporation is a wholly-owned subsidiary of Osmow's Holdings Inc. (the "Parent"). The Corporation was initially registered under the name Osmow's FL Corp. and changed its name to Osmow's Fz Corp. on January 11, 2022.

The Corporation's registered office address is 407 Matheson Blvd. E. Mississauga, Ontario, L4Z 2H2.

These financial statements have been prepared in accordance with accounting principles that apply to a going concern. This presupposes that the Corporation will continue its operations in the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of operations. The Parent has injected funds amounting to $114,955 into the Corporation to meet its financial needs. The Parent remains committed to the viability of the Corporations's operations and as such provided additional $50,000 on February 16, 2024 (see note 9). The management is confident in the profitable operations of the Corporation once the business is started, and till that time, the Parent is committed to supporting the Corporation's financial needs.

BASIS OF PRESENTATION

Statement of compliance

The financial statements for December 31, 2023, have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), consistently applied.

Basis of measurement and functional currency

These financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities, which have been measured at their fair values. The functional currency of the Corporation is the United States dollar.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Estimates

Income taxes

The determination of the Corporation's tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these

amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities.

Osmow's Fz Corp.

Notes to the Financial Statements December 31, 2023

(expressed in U.S. dollars)

Accounting judgments

Going concern

The assessment of the Corporation's ability to continue as a going concern and to raise sufficient funds to pay for its on-going operating expenditures, meet its liabilities for the ensuing year, and to fund planned project, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

The Corporation holds all its cash at major U.S. financial institution and has no cash equivalents. The balance is insured by the Federal Deposit Insurance Corporation up to $250,000. As of December 31, 2023, the Corporation did not have any uninsured cash.

Income taxes

The Corporation accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying the amount of existing assets and liabilities and their respective tax bases. The Corporation measures deferred taxes assets and liabilities using enacted tax rates expected to be applied to taxable income in the years in which that temporary difference is expected to be recovered. Deferred tax assets are reviewed for recoverability every quarter. A valuation allowance is recorded to reduce the carrying amount of a deferred tax asset to its realizable value unless it is more likely than not that such an asset will be realized.

Income taxes are provided for the tax effects of transactions reported in the financial statements and generally consist of taxes currently due plus deferred taxes.

The Corporation evaluates all significant tax positions as required by U.S. GAAP. As of December 31, 2023, the Corporation does not believe that it has taken any position that would require the recording of any additional tax liability, nor does it believe that any unrealized tax benefits would either increase or decrease within a year.

Accounting standards issued but not yet effective

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Corporation has not early adopted any new standards and management has determined that there are no standards that are expected to have a significant impact on the Corporation's balance sheet, operations, or cash flows.

DUE TO STOCKHOLDER

The outstanding balance owed to the Parent remains unchanged from the previous reporting date. Per the agreement dated October 12, 2022, between the Parent and the Corporation, interest was to be charged only in case of default at 6% per annum from the date of default.

On December 29, 2023, an amendment to the aforementioned agreement was enacted. In the updated terms, the maximum limit of loan, which is unsecured, has been increased from $150,000 to $200,000, with an interest rate of 6% per annum applicable on the outstanding balance effective from December 29, 2023, and a maturity date of June 26, 2025.

Osmow's Fz Corp.

Notes to the Financial Statements December 31, 2023

(expressed in U.S. dollars)

STOCKHOLDER'S DEFICIENCY

Authorized: 5,000 common stocks

Issued 2023

$

Common stock 100, with a par value of $0.0001 1

RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes personnel having the authority and responsibility for planning, directing, and controlling the Corporation and includes the directors and current executive officers. Related party transactions are in the normal course of business and are measured at the exchange amount which is the amount of consideration established by and agreed to by the related parties. The related party transactions recorded during the period from August 1, 2023, to December 31, 2023, and the balance outstanding as of December 31, 2023, are as under:

The loan received from the stockholder is $114,955 and the balance outstanding is $114,955.

The Corporation has a payable balance of $74,252 to Osmow's Inc., a related party under common control, on account of amounts received during the period and outstanding at the reporting date. It carries no interest and is due on demand.

CAPITAL MANAGEMENT

The Corporation's objectives when managing capital are to safeguard its ability to continue operating as a going concern so that it can provide returns for the stockholder. The Corporation considers the stockholder's deficiency and the balance owing to the stockholder as its equity. The Corporation manages the capital structure and adjusts it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to identify and evaluate potential acquisitions and business opportunities for the Corporation. To secure the additional capital necessary to pursue these plans, the Corporation may raise additional funds through equity or debt financing. The Corporation is not subject to any capital requirements imposed by a regulator.

Osmow's Fz Corp.

Notes to the Financial Statements December 31, 2023

(expressed in U.S. dollars)

COMMITMENTS AND CONTINGENCIES

The Corporation may be subject to pending legal proceedings and regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty, but the Corporation does not anticipate that the final outcome, if any, arising out of any such matter will have a material adverse effect on its business, financial condition or results of operations. As of December 31, 2023, the Corporation has not reported any lawsuit or known plans of litigation by or against the Corporation.

The Corporation has engaged in two lease agreements, one dated March 22, 2023, and the other dated October 27, 2023. Rent commencement is contingent upon the initiation of business operations for the general public or within 90 days (for one lease) and 180 days (for the other lease) after acquiring the necessary permit, whichever comes first. Currently, the Corporation is in the process of obtaining permits from the relevant municipalities.

The Corporation is obligated to fulfill rent payments under the lease agreements after the commencement of restaurant operations or the expiration of the specified periods mentioned earlier. Additionally, the Corporation intends to sublease these premises for franchise operations. Upon franchising, the franchisee will assume all tenant responsibilities, including rent payments, as delineated in their franchise agreement.

The aggregate commitments of the Corporation under the lease agreements over the next three years are the following:

	$
Thereafter	

SUBSEQUENT EVENT

On February 16, 2024, the Parent provided an additional $50,000 to the Corporation. The use of the proceeds is for general corporate purposes and to address the working capital requirements of the Corporation.

EXHIBIT H

LIST OF FRANCHISEES

U.S FRANCHISEES AS OF DECEMBER 31, 2024

State	City	Address	Phone	Operating Name	Owner/Operator
Michigan	Grand Rapids	3927 28th Street, L.E. Grand Rapids, 49512	226-374-6502	Innovative Foods LLC	Herman Grewal
Virginia	Manassas	9785 Liberia Ave, Suite 105, Manassas, 20110	703-547-4515	SMC Foods Virginia Inc.	Shuja Khawaja

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

EXHIBIT I

FRANCHISE DISCLOSURE CONFIRMATION

FRANCHISE DISCLOSURE CONFIRMATION

Re: Osmow's® Franchise at _____

WE HEREBY CONFIRM THE FOLLOWING:

We were provided with a Osmow's FZ Corp. Franchise Disclosure Document (the "FDD") upon our reasonable request, if any, and at least 14 calendar days before we signed any binding agreement with, or made any payment to, Osmow's FZ Corp. or an affiliate in connection with the proposed franchise sale.

If the Osmow's FZ Corp. Franchise Agreement (the "Franchise Agreement") or any other documents to be signed by us contained material differences, required by Osmow's FZ Corp., from the forms provided in the FDD, we were provided with an execution copy of the Franchise Agreement and the other documents to be signed by us at least 7 calendar days before we signed them.

New York law requires that prospective franchisees be provided with the FDD at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. If this law is applicable, we acknowledge that this was done.

Michigan law requires that prospective franchisees be provided with the FDD at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. If this law is applicable, we acknowledge that this was done.

We thoroughly reviewed the FDD, the Franchise Agreement and all other documents to be signed by us and consulted with our attorney, accountant or other professional advisor, or were provided with every opportunity to do so, prior to signing any agreement with Osmow's FZ Corp.

We understand the terms of the Franchise Agreement and all other documents to be signed by us.

We understand that the success of our business depends largely on our skills and abilities and the amount of time we dedicate to it.

We understand that the success of our business also depends on certain outside factors such as weather, labor rates and supply, lease terms, the cost of inventory and supplies, inflation, competition from other businesses, and other economic and business factors and that Osmow's FZ Corp. cannot guaranty the success of our business.

Our decision to purchase a Osmow's franchise was reached after our independent investigation of the opportunity and was not based on any representation by a director, officer, employee or agent of Osmow's FZ Corp. as to gross revenue, volume, costs, potential earnings or profits which we might be expected to realize, except as specified in Item 19 below.

Our decision to purchase a Osmow's franchise was not based on any representation by a director, officer, employee or agent of Osmow's FZ Corp. that is inconsistent with the information contained in the FDD and the terms of the Franchise Agreement and any other documents to be signed by us.

We understand that in all dealings with us, Osmow's FZ Corp.'s directors, officers, employees, agents and representatives have only acted in a representative capacity and not in an individual capacity and under the terms of the Franchise Agreement we may only bring claims against Osmow's FZ Corp.

We acknowledge that the words "Osmow's" are protected intellectual property and cannot form part of our business name and, if applicable, we will (a) as soon as is practicable change the name of our operating company to a name without the words "Osmow's", and (b) furnish Osmow's FZ Corp. with evidence that the name has been changed. We will also refrain from using the word "Osmow's" in any domain name or email address without Osmow's FZ Corp.'s prior written consent.

We understand that the Franchise Agreement contains the entire agreement between us and Osmow's FZ Corp. concerning our franchise and that any prior oral or written statement or agreement is not binding.

If any of the above statements is untrue, please indicate in the space provided below which statement and the reasons why it is untrue (attach additional pages if necessary).

Signed by the parties below on [To be signed immediately before signing the Franchise Agreement]

[FRANCHISEE COMPANY]

Per: Authorized Signatory or Agent

[INDIVIDUAL]

[INDIVIDUAL]

EXHIBIT J

STATE EFFECTIVE DATES & RECEIPTS

EFFECTIVE DATES

The following states require that the 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 Disclosure Document is effective and may be used in the following states, where the Disclosure Document is filed, registered or exempt from registration, as of the Effective Date stated below:

Illinois	Pending
Indiana	Pending
Michigan	Pending
New York	Pending
Virginia	Pending
Washington	Pending

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

RECEIPT

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 Osmow's FZ Corp. 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.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Osmow's FZ Corp. 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, DC 20580 and the state agency listed on Exhibit B.

The franchise seller for this offering is □ Ben Osmow □ Nikola Plastich □ Stephanie Putnam □ Craig Sanborn □ Other _____ of Osmow's FZ Corp., 407 Matheson Blvd. East, Mississauga, Ontario, Canada L4Z 2H2.

Issuance date: May 23, 2025

I have received a Disclosure Document dated: May 23, 2025 that included the following Exhibits:

A State Addenda To the Disclosure Document
B Agents for Service of Process and State Administrators
C Franchise Agreement Schedule 1 - Location
Schedule 2 – Personal Guarantee and Postponement
Schedule 3 – General Security Agreement
Schedule 4 - Sublease
Schedule 5 – Certificate of Corporate Franchisee
Schedule 6 – Pre-Authorized Debit Agreement
Schedule 7 – Agreement of Purchase and Sale
Schedule 8 – Franchisor Rider Schedule 9 – Premises Development Supervision Agreement
D State Amendments to the Franchise Agreement
E Location Hold Agreement
F Form of Release
G Table of Content of Osmow's Restaurant Training and Operations Manual
H List of Franchisees
I Financial Statements
J Franchise Disclosure Confirmation

Date: _____ _____
(Do not leave blank) Signature of Prospective Franchisee

(Your copy) Please sign this copy of the receipt and keep it for your records.

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 Osmow's FZ Corp. 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.

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If Osmow's FZ Corp. 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, DC 20580 and the state agency listed on Exhibit B.

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F Form of Release
G Table of Content of Osmow's Restaurant Training and Operations Manual
H List of Franchisees
I Financial Statements
J Franchise Disclosure Confirmation

Date: _____ _____
(Do not leave blank) Signature of Prospective Franchisee

(Our copy) You may return the signed receipt to us by signing and dating it and then either (i) faxing a copy to Osmow's FZ Corp. at (888) 416-4659, or (ii) emailing a copy to Osmow's FZ Corp. at legal@osmows.com.