



FRANCHISE DISCLOSURE DOCUMENT

Freshslice USA LLC
a Delaware limited liability company
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We offer franchises for the operation of restaurants that provide dine-in, carry-out, and delivery services to consumers and feature a unique atmosphere and reasonably priced pizza and related products under the name "FRESHSLICE PIZZA."

The total investment necessary to begin operation of a FRESHSLICE PIZZA franchised business is \$236,990 to \$533,450. This includes \$63,500 to \$103,000 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 for you. To discuss the availability of disclosure in different formats, contact Tom Horler, V.P. of Legal Affairs, at 1610 Ingleton Avenue, Burnaby, British Columbia, V5C 5R9; or by phone at 604-251-7444 or email at tom.horler@freshslice.com.

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

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

Issuance Date: September 1, 2023

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 E.
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 C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Freshslice Pizza 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 Freshslice Pizza franchisee?	Item 20 or Exhibit E 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 I.

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 and arbitration only in the State of Washington. Out-of-state mediation and arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and arbitrate with the franchisor in the State of Washington than in your own state.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” in Exhibit I to see whether your state requires other risks to be highlighted.

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EXHIBITS

- A Franchise Agreement, with the following attached schedules:
 Schedule “A” – Premises and Trademarks
 Schedule “B” – Guaranty and Assumption of Franchisee’s Obligations
 Schedule “C” – Confidentiality Agreement
 Schedule “D” – Assignment of Internet & Telephone Number License(s) and Accounts
 Schedule “E” – ACH Debit (EFT) Agreement
- B Confidentiality Agreement
- C Financial Statements
- D Regulatory Authorities and Agents for Service of Process in Certain States
- E List of Franchisees and Certain Former Franchisees
- F Table of Contents of Operations Manual
- G Franchise Disclosure Document Questionnaire
- H Form of General Release
- I State Specific Addenda
- J State Effective Dates
- K Receipts

ITEM 1. The Franchisor, and any Parents, Predecessors, and Affiliates

To simplify the language in this disclosure document “we,” “us” and “our” means Freshslice USA LLC a Delaware limited liability company, the Franchisor. “You” means the entity that buys a franchise, and includes your owners.

Freshslice USA LLC was formed on March 31, 2023. Our principal business address is 1610 Ingleton Avenue, Burnaby, British Columbia, V5C 5R9. We conduct business under the name “Freshslice Pizza” and began franchising in June 2023. We franchise businesses that operate restaurants specializing in pizza and other items that are added to the Freshslice menu from time to time (“Freshslice Pizza Businesses”). We do not operate Freshslice Pizza Businesses and, other than offering, selling and supporting Freshslice Pizza Businesses, we do not engage in any other business activities and do not offer franchises in other lines of business.

Our System was developed in 1999 by our Chief Executive Officer, Ray J. Russell, and Freshslice Holdings Ltd. (“FHL”). FHL is our parent company and is wholly owned by our Chief Executive Officer, Ray J. Russell. FHL owns certain trade names, trademarks, logos, and emblems which are used in association with the System, including, as of the date of this Disclosure Document, the trademark “FRESHSLICE” (the “Proprietary Marks”). FHL has granted to us the right to use, and to license others to use, the Proprietary Marks in the operation of Freshslice Pizza Businesses in the United States.

Our affiliate RF Franchising Inc. (“RFF”) currently grants franchises for the operation of Freshslice Pizza Businesses in Canada and has done so since February 2017. As of December 31, 2022, RFF had 75 operating franchisees.

Our affiliate A&M Enterprise Ltd. (“A&M”), wholly owned subsidiary of FHL, manufactures the dough used by all Freshslice Pizza Businesses. A&M sells the finished dough to our third-party distributor, who then resells the dough and other standard products to Freshslice franchisees.

We have no other affiliates that offer franchises in any line of business or provide products or services to our franchisees. Our agents for service of process and their addresses are attached as Exhibit E.

You will sign a Franchise Agreement (Exhibit A), to operate a single Freshslice Pizza Business (the “Franchised Business”) at a location and premises (the “Premises”) which you choose and which we approve. A Freshslice Pizza Business operates according to our system, which includes standards, policies and procedures for establishing and operating Freshslice Pizza Businesses (the “System”). The System and its components may be changed, improved and further developed by us from time to time. We identify the System by means of the “Freshslice Pizza” name and Proprietary Marks that we have designated, or may in the future designate, for use with the System.

The market for your services is competitive and developed. You will compete with other restaurants, including casual restaurants that serve pizza, nationwide chains and other food vendors. As with all retail food service businesses, your choice of location is critical to your success. The typical Freshslice Pizza Business will be approximately 600 to 1600 square feet and have seating for 4 to 20 persons. Freshslice Pizza Business will most likely be located in densely populated areas, business districts and suburban areas. Freshslice Pizza Businesses also provide carry-out and delivery services and you may be required to participate in delivery services such as Uber Eats, etc. Freshslice Pizza Businesses will be open year-round, closing only on selected holidays as directed

by us. We do not believe that Freshslice Pizza Businesses are by their nature seasonal businesses, though your location may result in seasonality of sales.

A wide variety of Federal, state, and local laws, rules, and regulations have been enacted that may impact the operation of your Freshslice Pizza Business, and may include those which (a) establish general standards, permitting restrictions and requirements and other specifications and requirements for the construction, design, maintenance and operation of your business premises; (b) set standards pertaining to employee health and safety; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants; employee practices concerning the storage, handling, cooking, and preparation of food; restrictions on smoking restrictions on smoking and exposure to tobacco smoke or other carcinogens or reproductive toxicants and saccharin; availability of and requirements for public accommodations, including restrooms; (d) requirements for fire safety and general emergency preparedness; (e) govern the use of vending machines, (f) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials, (g) establish general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as “low calorie” or “fat free,” (h) establish requirements for the disclosure of caloric and other nutritional information for food items you will offer and sell; (i) regulate the size of available menu items; (j) regulate the type and size of food and beverage containers and the waste management of recyclable containers and materials; and (k) establish requirements concerning withholdings and employee reporting of taxes on tips. You also must comply with all business licensing and other regulations applicable to your Freshslice Pizza Business. It is your responsibility, on a continuous basis, to investigate and comply with all provincial, local and federal laws as they vary from locale to locale and they change from time to time.

ITEM 2. Business Experience

Ray J. Russell - Director and Chief Executive Officer

Mr. Russell established Freshslice in 1999 with the purpose of developing a new healthy fast-food franchise concept operated under the name of Freshslice Pizza. He has held the positions of Director, CEO, and officer of the companies associated with Freshslice Pizza since 1999. He has been our CEO since our formation.

Tom Horler – Vice President of Legal Affairs and Special Advisor to the CEO

Mr. Horler started with Freshslice in April 2015 as a Senior Operations Manager. In July 2015 he took on the role of Director of Operations. From December 2015 to December 2019 Mr. Horler was our Director of Franchising and Real Estate Development. He has been Vice President of Legal Affairs and Special Advisor to the CEO since January 2020.

ITEM 3. Litigation

A. Pending Litigation of our Affiliates

1. Affiliate-Initiated Litigation Related to Rebranding Breaches

Title	RF Franchising Inc v Mahen et al
Case Number	VLC-S-S-230728
Initial Filing Date	January 30, 2023
Parties' Names	RF Franchising Inc, Ming Enterprises Ltd, RKI Operating Inc, RKI Properties Ltd, Rohn Mahen
Forum	Supreme Court of British Columbia
Relationship of Opposing	Defendants were former area developers / master franchisees of our Canadian affiliate.
Summary	Around July 1, 2020, the parties entered into an agreement whereby the defendants would become the plaintiff's master area developer for Vancouver Island. Around May 13, 2022, the defendants encouraged the franchisees on Vancouver Island to rebrand their Freshslice locations and, in the process, breach restrictive covenants and confidentiality agreements. The plaintiff sued for the foregoing. The defendant counterclaimed for breach of duty of good faith and fair dealing.
Relief Sought	Plaintiff seeks damages for the breaches and injunctions for the restrictive covenants. Defendant seeks damages for breach of duties.
Status	Ongoing.

Title	RF Franchising Inc v Achutha and Radha Food Industry Ltd
Case Number	VLC-S-S-224193
Initial Filing Date	May 24, 2022
Parties' Names	RF Franchising Inc, Uday Sagar Achutha, Radha Food Industry Ltd
Forum	Supreme Court of British Columbia
Relationship of Opposing	The defendants are former franchisees of our Canadian affiliate's agent.
Summary	The defendants entered into a franchise agreement with Freshslice's agent. Freshslice was notified by the defendants that they would breach the franchise agreement and rebranded the Freshslice location to Local Pizza. The plaintiff sued for the foregoing. The defendants counterclaimed for breach of duty of fair dealing.
Relief Sought	Plaintiff seeks damages for the breaches and injunctions for the restrictive covenants. Defendant seeks damages for breach of duties.
Status	Ongoing.

Title	RF Franchising Inc v GTS Ventures Ltd and Gnanasekaram
Case Number	VLC-S-S-224194
Initial Filing Date	May 24, 2022
Parties' Names	RF Franchising Inc, GTS Ventures Ltd, Sutharsan Gnanasekaram
Forum	Supreme Court of British Columbia
Relationship of Opposing	The defendants are former franchisees of our Canadian affiliate's agent.
Legal Factual Summary	The defendants entered into a franchise agreement with Freshslice's agent. Freshslice was notified by the defendants that they would breach the franchise agreement and rebranded the Freshslice location to Local Pizza. The plaintiff sued for the foregoing.
Relief Sought	Plaintiff seeks damages for the breaches and injunctions for the restrictive covenants.
Status	Ongoing.

Title	RF Franchising Inc v Hari et al
Case Number	VLC-S-S-224196
Initial Filing Date	May 24, 2022
Parties' Names	RF Franchising Inc, Gulzar Hari, Paramjit Hari, Hari Enterprises Ltd
Forum	Supreme Court of British Columbia
Relationship of Opposing	The defendants were franchisees of our Canadian affiliate's agent.
Summary	The defendants entered into a franchise agreement with Freshslice's agent. Freshslice was notified by the defendants that they would breach the franchise agreement and rebranded the Freshslice location to Local Pizza. The plaintiff sued for the foregoing. The defendants counterclaimed for breach of duty of fair dealing.
Relief Sought	Plaintiff seeks damages and injunction relating to restrictive covenant. Defendants seek damages relating breach of duties.
Status	Ongoing.

Title	RF Franchising Inc v Singh and Soni Enterprises Ltd
Case Number	VLC-S-S-224195
Initial Filing Date	May 24, 2022
Parties' Names	RF Franchising Inc, Amanpreet Singh, Soni Enterprises Ltd
Forum	Supreme Court of British Columbia
Relationship of Opposing	The defendants were franchisees of our Canadian affiliate's agent.
Summary	The defendants entered into a franchise agreement with Freshslice's agent. Freshslice was notified by the defendants that they would breach the franchise agreement and rebranded the Freshslice location to Local Pizza. The defendants counterclaimed for breach of duty of fair dealing.
Relief Sought	Plaintiff seeks damages and injunction relating to restrictive covenant. Defendants seek damages relating breach of duties.
Status	Ongoing.

Title	RFSP Equipment and Operating Inc and RF Franchising Inc v Singh et al
Case Number	VLC-S-S-216875
Initial Filing Date	July 26, 2021
Parties' Names	RFSP Equipment and Operating Inc, RF Franchising Inc, Jaskirat Singh, 1150406 BC Ltd, 1096497 BC Ltd, 1014153 BC Ltd, Hellcrust Pizza Co Ltd
Forum	Supreme Court of British Columbia
Relationship of Opposing	The defendants are former franchisees of our Canadian affiliate; excepting Hellcrust Pizza Co Ltd, which is a corporation formed to carry out the alleged breaches of franchise agreement.
Summary	The defendants owned several Freshslice franchises in British Columbia between 2014 and 2020. Around April 1, 2021, the defendants rebranded their Freshslice locations in alleged breach of the franchise agreements. The plaintiffs sued for breach of franchise agreements and restrictive covenants. The plaintiffs applied for interlocutory injunctive relief to enforce the restrictive covenants.
Relief Sought	Plaintiffs seek damages for breach of franchise agreement and injunctions for restrictive covenants.
Interlocutory Law/Fact Conclusions	The non-competition clauses in the franchise agreements are enforceable, but no injunction is granted because Freshslice did not, and will not, suffer irreparable harm as a result of the rebranding; harm can be addressed through damages.
Status	Damages claims still ongoing.

Title	JM Food Services Ltd et al v Kanagarajah et al
Case Number	VLC-S-S-216876
Initial Filing Date	July 26, 2021
Parties' Names	JM Food Services Ltd, RF Franchising Inc, RFSP Equipment & Operating Inc, Theepan Food Industry Ltd, Kalatheepan Kanagarajah also known as Theepan Kanagarajah, Kalatheepan Kanagarajah doing business as Yummy Slice Pizza, Theepan & Tharsan Ventures Inc, Tharsan Kanagaratnam
Forum	Supreme Court of British Columbia
Relationship of Opposing	The defendants are former franchisees of our Canadian affiliate.
Summary	The defendants owned several Freshslice franchises in British Columbia between 2011 and 2020. Around April 1, 2021, the defendants rebranded their Freshslice locations in alleged breach of the franchise agreements. The plaintiffs sued for breach of franchise agreements and restrictive covenants. The plaintiffs applied for interlocutory injunctive relief to enforce the restrictive covenants.
Relief Sought	Plaintiffs seek damages for breach of franchise agreement and injunctions for restrictive covenants.
Interlocutory Law/Fact Conclusions	The non-competition clauses in the franchise agreements are enforceable, but no injunction is granted because Freshslice did not, and will not, suffer irreparable harm as a result of the rebranding; harm can be addressed through damages.
Status	Damages claims still ongoing.

2. Other Affiliate-Initiated Litigation

Title	Freshslice Holdings Ltd and RFSP Equipment and Operating Inc v Singh et al
Case Number	VLC-S-S-215432
Initial Filing Date	June 4, 2021
Parties' Names	Freshslice Holdings Ltd, RFSP Equipment and Operating Inc, Jaskirat Singh, 11504406 BC Ltd, 1096497 BC Ltd, 1168177 BC Ltd, 1014153 BC Ltd, RF Franchising Inc, JM Food Services Ltd, Freshslice Properties Ltd, Ray John Russell, Tom Horler
Forum	Supreme Court of British Columbia
Relationship of Opposing	Our Canadian affiliate is a creditor to promissory notes made by former Freshslice franchisees.
Summary	The defendants executed a promissory note on December 5, 2016 wherein they promised to pay a total sum of \$183,851.82. The defendants executed a second promissory note on January 18, 2019 wherein they promised to pay a total sum of \$151,812.62. The plaintiffs are suing the defendants for failure to repay promissory notes. The defendants counterclaim for trespass, breach of franchise agreement, breach of duty of good faith, and breach of duty of fair dealing.
Relief Sought	Plaintiffs seek judgment for the outstanding balance on the promissory notes. Defendants seek damages relating to trespass and breaches.
Status	Ongoing.

Title	RFSP Equipment and Operating Inc and JM Food Services Ltd v Theepan Food Industry Ltd and Kalatheepan Kanagarajan
Case Number	VLC-S-S-215431
Initial Filing Date	June 4, 2021
Parties' Names	RFSP Equipment and Operating Inc, JM Food Services Ltd, Theepan Food Industry Ltd, Kalatheepan Kanagarajan, RF Franchising Inc, Freshslice Holdings Ltd, Freshslice Properties Ltd, Ray John Russell, Tom Horler
Forum	Supreme Court of British Columbia
Relationship of Opposing	Our Canadian affiliate is creditor on promissory notes made by former Freshslice franchisees.
Summary	The defendants executed a promissory note on October 15, 2012 wherein they promised to pay a total sum of \$190,517.21. The defendants executed a second promissory note on March 7, 2018 wherein they promised to pay a total sum of \$227,233.66. The plaintiffs are suing the defendants for failure to repay promissory notes. The defendants counterclaim for trespass, breach of franchise agreement, breach of duty of good faith, and breach of duty of fair dealing.
Relief Sought	Plaintiffs seek judgment for the outstanding balance on the promissory notes. Defendants seek damages relating to trespass and breaches.
Status	Plaintiffs obtained a chambers judgment ordering the Supreme Court of British Columbia petition matter to proceed to an inquiry. Defendants appealed to the British Court of Appeals on June 17, 2021 to set aside the order and dismiss the petition. Defendants abandoned this appeal December 16, 2021.

	<p>Defendants also appealed a dismissal of defendant's petition to the British Court of Appeals on November 2, 2021. Defendants abandoned this appeal December 13, 2021.</p> <p>The case is ongoing.</p>
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Title	RFSP Equipment & Operating Inc and Freshslice Properties Ltd v Three Enterprises Ltd et al
Case Number	VLC-S-S-186313
Initial Filing Date	June 1, 2018
Parties' Names	RFSP Equipment & Operating Inc, Freshslice Properties Ltd, Three Enterprises Ltd, Devendra Singh, Charanjit Bhatti, Jimmy David
Forum	Supreme Court of British Columbia
Relationship of Opposing	The defendants are former franchisees and promissory note debtors to our Canadian affiliates.
Summary	The defendants entered into a franchise agreement on March 31, 2016. In November 2016, the defendants executed a promissory note. On February 23, 2018, the defendants cancelled the franchise agreement and stopped payments on their promissory note. The defendants also stopped paying rent on their lease. The defendants counterclaimed alleging breach of franchise agreement, misrepresentation, and breach of duty of good faith and fair dealing.
Relief Sought	Plaintiffs seek judgment for the outstanding balance on the promissory notes. Defendants seek damages relating to misrepresentation and breaches.
Status	Ongoing.

3. Other Pending Litigation of Affiliates

Title	GTS Ventures Ltd et al v RF Franchising Inc
Case Number	VLC-S-S-229675
Initial Filing Date	November 29, 2022
Parties' Names	GTS Ventures Ltd, Sutharsan Gnanasekaram, SGT Trading Co Ltd, GTS Duncan Ventures Inc
Forum	Supreme Court of British Columbia
Relationship of Opposing	The plaintiffs were former franchisees of our Canadian affiliate's agent.
Summary	The plaintiffs sued for breach of duty of fair dealing, breach of duty of bad faith, and damages for losses during operation of a Freshslice franchise.
Relief Sought	Plaintiffs seeks damages for breach of duty of fair dealing.
Status	Ongoing.

Title	Waheed and 0923063 v JM Food Services Ltd et al
Case Number	VLC-S-S-2011355
Initial Filing Date	November 6, 2020
Parties' Names	Tariq Waheed, 0923063 BC Ltd, JM Food Services Ltd, Freshslice Holdings Ltd, RFSP Equipment & Operating Inc, A&M Enterprise Ltd, 1015214 BC Ltd, the Trustees of the Freshslice Family Trust
Forum	Supreme Court of British Columbia
Relationship of Opposing	The plaintiffs are judgment creditors to some of the defendants, who are our parent and affiliates.
Summary	The plaintiffs alleged fraudulent conveyance of property performed by JM Food Services Ltd prior to it becoming a judgment debtor.
Relief Sought	Plaintiffs seek declaration that the transfer of property was fraudulent, injunction against disposing of the subject property, and judgment.
Status	Ongoing.

B. Past Litigation of our Affiliates

Title	0923063 BC Ltd and Waheed v JM Food Services Ltd et al
Case Number	VLC-S-S153190
Initial Filing Date	April 20, 2015
Parties' Names	0923063 BC Ltd, Tariq Waheed, JM Food Services Ltd, Freshslice Properties, RFSP Equipment and Operating Ltd
Forum	Supreme Court of British Columbia
Relationship of Opposing	0923063 BC Ltd. was a franchisee of our Canadian affiliate.
Summary/Relief Sought	Plaintiffs sued for breach of franchise agreement, breach of good faith, and breach of duty of honest performance. Defendants counterclaimed for an outstanding balance on a loan owing by the plaintiffs.
Date of Resolution	April 11, 2019
Judgment	The court found for the plaintiffs and awarded and net judgment of \$342,435.13 to 0923063 BC Ltd (against JM Food Services and Freshslice Properties) and \$26,852.98 to Tariq Waheed (against JM Food Services only). Defendants appealed.
Appeal	
Case Number	CA-46076
Initial Filing Date	May 9, 2019
Parties' Names	0923063 BC Ltd, Tariq Waheed, JM Food Services Ltd, Freshslice Properties, RFSP Equipment and Operating Ltd
Forum	British Columbia Court of Appeal
Relief Sought	Appellants sought to set aside the trial decision, dismiss the claim of the respondents at Supreme Court of British Columbia, or order a new trial.
Date of Resolution	December 11, 2020
Judgment/Settlement Terms	Appeal dismissed by application.

Other than disclosed in this Item 3, there is no litigation information required to be disclosed in this Item.

ITEM 4. Bankruptcy

There is no bankruptcy information required to be disclosed in this Item.

ITEM 5. Initial Fees

Initial Franchise Fee. We charge an Initial Franchise Fee of \$25,000 for each individual Freshslice Pizza Business, payable in full upon the signing of the Franchise Agreement. In some cases, we may provide discounts on the Initial Franchise Fee at our sole discretion, typically in return for: additional local marketing investment, or physical plant upgrades or as a reward for excellence in operational performance to an existing franchisee when purchasing a subsequent franchise. We anticipate the minimum Initial Franchise Fee after any such discount would be \$12,500.

Administration Fee. You must pay us an administrative fee of \$10,000 for legal and account set-up costs, payable in full upon the signing of the Franchise Agreement.

Initial Training & Development Fee. You must also pay us an initial training & development fee of \$20,000 for your initial training & development, payable in full upon the signing of the Franchise Agreement.

Refundability of Fees. The Initial Franchise Fee, Administration Fee, and Initial Training & Development Fee are non-refundable except under the following circumstances: If during the on-the-job evaluation program (OJE) (see Item 11) you wish to withdraw from consideration as a franchisee, you may terminate the Franchise Agreement immediately upon notice to us. If you fail to successfully complete the OJE, in our sole judgment, we may terminate the Franchise Agreement immediately upon notice to you. If the Franchise Agreement is terminated before you successfully complete the OJE, we will refund to you 100% of the Initial Franchise Fee, Administration Fee, and Initial Training & Development Fee you paid to us, upon our receipt of a general release in our standard form signed by you.

Project Management Fee and Turnkey Costs. We offer a “turnkey” service to construct and develop the Franchised Business on your behalf, which you have the option to select. If you select this option, we will undertake on your behalf, on an independent consultant basis, the full development, including all or any part of the construction and equipping of the Premises in conformity with the System standard layout plans, specifications, and drawings; and you must pay us a project management fee of \$35,000 for services rendered during the construction at the Premises. This fee is due prior to the commencement of construction at the Premises.

You will be required to deposit with us \$65,000 towards the cost of the full development of the Premises, and acquisition and opening of the Franchised Business (the “Turnkey Cost”) upon signing your lease. The balance of the Turnkey Cost must be paid by you to us after completion of construction of the Premises, and prior to the Franchised Business opening to the public for business.

Alternative Development Fees and Costs. If you elect to develop and construct the Franchised Business on your own, as per our specifications and with our prior written approval, then you must pay us a consulting and inspection fee of \$15,000. This fee is due prior to the commencement of construction at the premises.

Grand Opening Fee. You must pay us a grand opening fee of \$5,000, which we will expend for a grand opening advertising and promotional program for your Freshslice Pizza Business beginning ten days before and ending five months after opening.

Except as otherwise provided above, all fees are uniformly imposed and non-refundable.

ITEM 6. Other Fees

OTHER FEES

Name of Fee ^{(1) (2)}	Amount	Due Date	Remarks
Extension of Time Fee	\$5,000	Payable to us if we grant you an extension of time to secure a lease for your location	If you do not secure a lease for your location within 12 months after execution of the Franchise Agreement, you may request an extension of time for an additional 12 months in which to secure the lease. You must pay us the Extension of Time Fee if we grant your request.
Non-core product royalty fee ⁽⁴⁾	10% of Gross Sales ⁽³⁾	Payable to us every two weeks, or other period that we require.	
Transfer Fee	Initial franchise fee of \$25,000 is due from the buyer when a location is sold to a new franchisee, plus our reasonable fees and expenses to evaluate and process the transfer.	Payable to us upon the successful completion of transfer	This fee is payable in lump sum.
Renewal Fee	\$2,500 - \$5,000 per year, during the renewal term	Payable to us upon renewal of the Franchise Agreement.	Amount of the renewal fee determined by operations audit.

Name of Fee ^{(1) (2)}	Amount	Due Date	Remarks
Extra training for Franchisee (if required) ⁽⁵⁾	Variable; current charge is \$800/day	Payable to us if incurred, upon demand.	You are responsible for the costs of travel, accommodation and wages for your employees for attending training.
Quality Assurance Fee ⁽⁶⁾	Fee equal to 12% of the price of all goods and services purchased from or through us, our affiliates, or designated vendors	Payable to us every 2 weeks, or other period that we require.	Payable if you fail or refuse to adhere to any mandatory operating procedure, specification or standard prescribed by us, and we issue a notice of default; payable until default is cured.
Interest on Overdue Amounts	All overdue amounts will bear interest at 9% per annum	Payable to us as incurred	Payable in lump sum, if you are late in paying any fees due to us.
Audit Expenses	Cost of audit and inspection, plus any reasonable accounting and legal expenses	Payable to us on demand, as incurred.	Payable if you (1) fail to furnish required reports or supporting records on a timely basis for two or more consecutive reporting periods; (2) fail to have the books and records available for an audit after receiving reasonable, advance notice; (3) otherwise fail to cooperate with our requested audit, or (4) understate your Gross Sales for the period of any audit by greater than 3%
Costs and Legal Fees	Will vary under the circumstances	Payable to us as incurred.	Payable if incurred by us to enforce your Franchise Agreement in a judicial or arbitration proceeding or if we are required to engage legal counsel in connection with your failure to comply with your Franchise Agreement.
Indemnification	Will vary under the circumstances	Payable as incurred, on demand.	You must reimburse us if we incur losses related to your operation of the franchised business.

*Explanatory Notes:

- (1) All fees are non-refundable, unless expressly stated to the contrary.
- (2) You can pay by check on approval or by automatic debit, in which case you will be required to execute an ACH Authorization Form permitting us to electronically debit your designated bank account for payment of all fees payable to us, as well as any amounts that you owe to us or our affiliates for the purchase of equipment, goods or services. You must ensure that there are sufficient funds available in your account for withdrawal before each due date.
- (3) **“Gross Sales”** means the entire amount of the actual sales price of all sales of products and all other receipts or receivables whatsoever from any and all business conducted upon or originating from the Premises, including telephone order sales, and sales made through the Internet, whether such sales or other receipts be by check, for cash, credit, charge accounts, exchange or otherwise and whether such sales be made by means of mechanical or other vending devices in the Premises. There shall be no deductions allowed for uncollected or uncollectable credit accounts and no allowances shall be made for bad debts. Gross Sales shall include the amount of all sales assumed to have been lost by the interruption of business at the Premises, to be determined on the basis upon which proceeds of any business interruption insurance are paid or are payable to you or other occupiers of the Premises. Gross Sales shall not include: (i) the amount of any tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers if such tax is added to the selling price and actually paid by you to such governmental authority; (ii) the amount of the refund or credit given in respect of any products returned or exchanged by a customer for which a refund of the whole or a part of the purchase price is made or for which a credit is given, provided that the selling price thereof was included in Gross Sales; and (iii) the amount of any credit granted by us to you under any national coupon redemption or similar promotion program.
- (4) From time to time, we will have the option to grant approval to specific locations owned by franchisees to sell items outside of the core brand menu. This is allowed if a business case can be made that the approved menu addition will help increase sales specific to their trading area. Upon approval, the sales (minus applicable taxes) will be subject to a 10% Royalty Fee. This fee amount will be charged through ACH on a periodic basis. This amount will be determined from information collected from the location’s POS system. This approval can include the sale of alcohol; however, this is on a case-by-case basis and the Franchisee must comply with all other applicable laws.
- (5) If, after you have received your initial training & development either we or you determine that extra training time is needed, such training will be provided by us at an additional cost to you. You are solely responsible for the cost of any travel, accommodation and wages of your employees that are associated with the training program.
- (6) If you fail or refuse to adhere to any mandatory operating procedure, specification or standard prescribed by us, we may issue a notice of default to you that specifies the grounds of default and the deadline for curing the default, which need not be more than 30 days from the date of notice. Until such time as we, in our reasonable discretion, deem the default cured (whether through re-inspection of the Franchised Business or otherwise), you must pay us, a quality assurance fee equal to twelve percent (12%) of the price of all goods and services for the Franchised Business that you purchase from or through us, our affiliates, and designated vendors.

ITEM 7. Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

The following chart describes the estimated initial investment for a new construction single Freshslice Pizza Business.

Type of Expenditure	Amount ⁽¹⁾ ⁽²⁾		Due date	Method of Payment / Remarks	To Whom Paid
	Low	High			
Initial Franchise Fee ⁽³⁾	\$12,500	\$25,000	Payable at execution of Franchise Agreement.	Payable in lump sum	Us
Training & Development Fee ⁽⁴⁾	\$20,000	\$20,000	Payable at execution of Franchise Agreement	Payable in lump sum	Us
Administration Fee	\$10,000	\$10,000	Payable at execution of Franchise Agreement	Payable in lump sum	Us
Lease Admin Charge	\$250	\$7,500	In accordance with lease	Payable in lump sum	Landlord
Leasing of Premises (per month)	\$2,500	\$14,000	Must be paid in accordance with individual contracts and are typically due before the design process is commenced.	Payable in lump sum	Landlord
Travel, Lodging, Food and Auto Rental for Training	\$250	\$3,500	Payment time varies but is usually required before the opening. Please see note 3 below.	Payable in lump sum	Travel service providers

Type of Expenditure	Amount ⁽¹⁾ ⁽²⁾		Due date	Method of Payment / Remarks	To Whom Paid
	Low	High			
Deposit for Lease ⁽⁵⁾	\$5,000	\$15,000	Payment time varies, but payment is usually required before signing the Lease Agreement (upon signing of the offer to lease with the landlord).	Payable in lump sum	Landlord
Construction Project Management	\$35,000	\$35,000	Prior to beginning construction	Payable in lump sum to us; or as arranged with other construction management	Us or third party
Consulting and Inspection Fee	\$0	\$15,000	Prior to beginning construction	Payable in lump sum	Us
Equipment and Fixtures	\$113,000	\$308,000	As incurred; under Turn-Key Option, 45% at signing of estimate and 55% after completion of construction	Including refrigerators, ranges, walk-in freezers, seating package.	Various
Signage	\$5,000	\$10,000	As incurred	Only includes exterior sign(s)	Suppliers
POS system	\$5,940	\$7,000	Upon Receipt	Payable in lump sum	Technology Suppliers
POS fee (3 months)	\$750	\$750	Begins before opening of Franchised Business	Monthly invoice	Technology Suppliers
Inventory and Supplies ⁽⁶⁾	\$4,000	\$7,000	As incurred	Typically includes perishable food items, cleaning supplies, and paper goods	Suppliers
Insurance ⁽⁷⁾	\$800	\$1,200	Payable upfront or on monthly basis, as incurred	As per insurance terms.	Insurance Company

Type of Expenditure	Amount ⁽¹⁾ ⁽²⁾		Due date	Method of Payment / Remarks	To Whom Paid
	Low	High			
Licenses ⁽⁸⁾	\$3,000	\$10,000	Usually payable before the opening of the Restaurant	As arranged	Government Agencies
Utilities	\$1,000	\$1,500	As incurred	As arranged	Various
Grand opening	\$5,000	\$5,000	Before opening of Franchised Business	Payable in lump sum	Us
Professional Fees (lawyers, accountants, business advisors)	\$1,000	\$8,000	As incurred	As arranged	Various
Additional funds—3 months ⁽⁹⁾	\$12,000	\$30,000			
Total ⁽¹⁰⁾	\$236,990	\$533,450			

Note: Payments to us are not refundable, except that the Initial Franchise Fee, Administration Fee, and Initial Training & Development Fee may be refundable under the circumstances described in Item 5. Whether any costs paid to third parties are refundable will vary based on the practice in the area where your Freshslice Pizza Business is located.

*** Notes and Assumptions underlying the Estimate:**

- (1) The above figures are estimates only and are based upon our experience with opening the Freshslice Franchises in Canada. The actual costs will vary depending on physical size and current condition of the Premises and the geographic location of the franchise. Local variances may affect profitability and costs. The estimates contained in this section represent only an amount or a range of amounts which we consider reasonable, based on the assumptions listed in this section.
- (2) The above figures cover the cost to build one Restaurant and they do not include any provision for salaries or draws by you. The range of fees will depend upon whether the proposed premises where the Franchise is to be opened can be retrofitted from its current use (such as an existing restaurant or bar) or whether the premises is just a shell where the entire restaurant will need to be constructed.
- (3) Franchise fee reduced at Franchisor's discretion; see Item 5.
- (4) Training is included as part of your initial franchise fee. You are responsible for all travel and ancillary costs. Prior to formal training there is an evaluation period, an on-the-job evaluation (OJE), for a total of one shift ranging between 8 to 10 hours. The potential franchisee will be trained on opening and closing procedures of restaurant and on other Freshslice systems. The District Manager, Area Developer, or Director of Operations will evaluate the candidate's skills and interest in becoming a franchisee. Upon completion of

the OJE, we will inform the candidate whether they can become a Freshslice franchisee. All food travel and accommodation will be at the expense of the candidate. There will be no compensation for this labor. After the successful completion of the OJE there will be an additional 10 days of training at an assigned location. All food travel and accommodation will be at the expense of the candidate.

- (5) It is anticipated that a typical Restaurant will be 600 – 1,600 square feet. The above costs will differ significantly in the event that you choose to purchase a building to operate your Freshslice Pizza Business rather than leasing the Franchised Premises. Please note a portion of this deposit is typically applied against rent payments, with the remainder held by the landlord for the duration of the lease. Often the franchisee is also required to prepay the first month's rent.
- (6) The level of inventory varies and depends on such factors as the size of the stores, the location of the store, the range and number of items carried in the store, and the anticipated volume.
- (7) The above figures assume that you will pay the entire insurance premiums for the first year at or before opening the Franchise. Most franchisees will pay the premiums in instalments which may be monthly, quarterly or semi-annually, and the actual initial investment would be lower. You must buy and maintain policies of insurance naming us as additional insureds, with minimum coverages and levels as required by us from time to time, including business interruption coverage. You may choose to have higher levels of coverage. Your insurance must also be in compliance with the insurance requirements in your lease. We may develop a master group coverage program and require you to enroll in and pay for such coverage.
- (8) Licenses may include business licenses, liquor license, development permit, building permit, patio license, health approval, etc.
- (9) This estimates your initial operating expenses, including working capital, and post-opening staff salaries and benefits during the first 3 months of operations. Additional Funds relate only to costs associated with the franchisee's business and do not cover any owners' draw or personal, "living," unrelated business or other expenses you may have, such as royalty payments, debt service on any loans, state sales and use taxes on goods and service, and a variety of other amounts not expressly described and included in the notes above.
- (10) The estimated amounts do not include royalties or advertising fees and assume that none of your expenses are offset by any sales generated during the initial months of operation. These figures are estimates, and we cannot guarantee that you will not have additional expenses in starting your Freshslice Pizza Business. Your actual costs will depend on factors such as: following our methods and procedures; your management skill, experience and business knowledge; local economic conditions; local market for services; prevailing wage rate; competition; sales level reached during the initial period; and lease rates for office space, vehicle and computer and telephone equipment.

General

In compiling these estimates, we relied on our experience and our understanding of the experience of our existing franchisees in Canada. These amounts are the minimum recommended levels to cover your estimated expenditures during the initial period, which includes expenditures made before you begin operations through the first 3 months of operations. However, we cannot guarantee that such an amount will be sufficient. Additional working capital may be required if sales are low or fixed costs are high. You should review these figures carefully with a business advisor before making any

decision to purchase the franchise. Actual costs will vary for each franchisee and each business depending on a number of factors. If you are signing your Franchise Agreement in connection with the transfer or renewal of an existing franchise, many items of this table are not applicable to you because your Freshslice Pizza Business is currently open and operating, but under our franchise agreement we may require you to remodel, renovate, modernize or refurbish it to our then-current standards.

ITEM 8. Restrictions on Sources of Products and Services

To help ensure a uniform image and uniform quality of products and services throughout the System, you must maintain and comply with our quality standards. Any required standards exist to protect our interest in the System and the Proprietary Marks and not for the purpose of establishing any control, or the duty to take control, over those matters that clearly are reserved to you. We issue our standards and specifications to you in the Operations Manual, which we will update or modify periodically.

Real Estate

With regard to the construction of the Premises for your Freshslice Pizza Business, you must engage the services of the contractors and interior/exterior designers which we approve.

You will enter into a lease or sublease simultaneously with or immediately following the execution of the Franchise Agreement, for the Premises in such form as we or any lessor of the Premises may require. We may require you to have additional terms inserted into the lease which would grant us the right to take over the Premises in certain circumstances, including if you are in default of the Franchise Agreement. If requested to do so either by us or the lessor, you and/or your guarantor shall execute a covenant and/or agreement directly in favor of such lessor, covenanting and agreeing to be bound by, and to perform and observe all of the terms and conditions of the lease or any other related instruments. If we are unable to obtain the written consent of any lessor of the Premises whose consent may be required to the subletting of the Premises to you, then the Franchise Agreement will be terminated, and we will not be responsible for any losses, costs or expenses whatsoever incurred by you.

Merchandise, Materials, Supplies and Services

You must purchase all products, including all items used in your Freshslice Pizza Business, including without limitation, all raw or prepared or proprietary food products, ingredients, inventory and all restaurant accessories, supplies, promotional materials, clothing, hats and kitchen equipment (including without limitation, containers, dishes, glassware, take-out materials, cutlery, furniture, napkins, placemats and uniforms) only from us or from sources, manufacturers or suppliers approved or designated in writing by us (which sources or suppliers may include us or our affiliates). You must maintain a minimum inventory of certain designated products, as specified by us from time to time. We may discontinue or limit the supply of, or make changes or alterations to, or add new or additional types of items to, the inventory of products which you are required to maintain.

You must sell such products, including menu items, and only such products as meet our uniform standards of quality and quantity, that we have expressly approved for sale in writing and that have been prepared in accordance with our recipes, methods and techniques for product preparation. You must sell all approved items pursuant to a menu approved by us and you must not offer for sale any

other products from the Premises. You must discontinue the sale of any food or drink items or any other merchandise of any kind whatsoever that we, in our sole discretion, prohibit in writing.

You must use in the operation of your Freshslice Pizza Business all plates, food containers, napkins, straws, bags, cups, matches, menus and other paper goods, promotional, packaging and point of sale materials, and like articles of a brand, size, shape, quality and style approved by us, which must bear such reproductions of the Proprietary Marks as we may specify and all art work and reproductions used must conform to specifications established by us. Some or all of such items shall be purchased by you only from us or from suppliers or manufacturers approved in writing by us. Such items must be purchased by you only from suppliers, sources or manufacturers designated or approved in writing by us, which may include us or our affiliates.

You must use in the operation of your Freshslice Pizza Business only those service providers, manufacturers, brands or types of fixtures, equipment (including without limitation, computer, cash register and point of sale systems), and signs that we have approved. You may purchase approved brands or types of fixtures, equipment, and signs only from suppliers approved by us, in our sole discretion, which may include us or our affiliates. You must place or display at the Premises (interior or exterior) only such signs, emblems, lettering, logos, and display materials that are from time to time approved in writing by us, which approval may be given or withheld in our sole discretion.

In the event that you operate a vehicle in connection with your Freshslice Pizza Business, we may require you to have your vehicle “wrapped” as a Freshslice Pizza vehicle, at our sole cost, provided that you agree to maintain the wrapping on such vehicle for at least two years.

Computer Equipment & Information Systems

As more fully described in Item 11, you must use the particular POS system and other computer and information systems, as specified by us.

We may from time to time to institute a one-phone number system for all Freshslice businesses in areas determined by us. If we do so within an area encompassing your Franchised Business, you must thereafter publish no other phone number for the Franchised Business than the phone number designated by us. The phone number will be and remain our sole property. You will be responsible for all charges levied by us for your participation in the one-phone number system, including, without limiting the generality of the foregoing, charges for all capital costs, operating costs and overhead incurred in the establishment and operation of the one-phone number system. In levying such charges, we will not factor in any amount for profit and shall use our reasonable efforts to allocate all such costs and expenses among the various franchisees using such one-phone number system on a fair and equitable basis. If we direct any order for products received through such one-phone number system to your Franchised Business, you must promptly fill such orders in accordance with the terms and conditions of the Franchise Agreement.

Records

You must furnish to us such reports as we may require periodically. Without limiting the generality of the foregoing, you must furnish to us in the form prescribed by us and together with such detail and breakdown and copies of supporting records as we may from time to time require:

- (a) by the Friday of every second week a report of the Gross Sales for the preceding two-week period, verified and signed by your authorized representative;

- (b) within fifteen (15) days after the end of each three consecutive months, a profit and loss statement for your Freshslice Pizza Business for such months;
- (c) within sixty (60) days after the end of each fiscal year of your Freshslice Pizza Business, financial statements for your Freshslice Pizza Business, including a balance sheet, profit and loss statement and a statement of retained earnings for such period, which statements shall be prepared in accordance with generally accepted accounting principles by an independent professional accountant approved by us, verified and signed by your authorized representative; and
- (d) within thirty (30) days of filing, a true copy of all returns, schedules and reports filed by you for income, corporate or sales tax purposes.

Under the provisions of the Franchise Agreement, you authorize us to make inquiry of your bankers, government authorities, suppliers and other trade creditors as to their dealings with you in relation to your Freshslice Pizza Business, to discuss the affairs, finances and accounts of your Freshslice Pizza Business (and by its execution hereof you authorize and direct such bankers, government authorities, suppliers and other trade creditors to discuss with us the affairs, finances and accounts of your Freshslice Pizza Business) and to obtain information and copies of invoices relating to sales or other dealings with all such persons and you in any way relating to your Freshslice Pizza Business. If requested, you agree to execute and deliver such forms of directions or authorizations as we may require in order to permit bankers, government authorities, suppliers or other trade creditors to release or disclose any such information and documents to us.

Insurance

You must maintain suitable insurance coverage and minimum amounts specified in the Franchise Agreement, Operations Manual(s), bulletins, electronic communications and/or other directives, including all risk property and casualty insurance for the replacement value of your Freshslice Pizza Business; business interruption insurance providing for continued payment of all amounts due (or to become due) to us under your Franchise Agreement or any other agreement with us; workers compensation insurance as required by applicable law. All policies must name us as an additional insured. You may obtain additional insurance coverage as you feel necessary. You may purchase your insurance from any carrier subject to our approval, not to be unreasonably withheld.

Marketing

You must only use, display, transmit, and broadcast advertising, promotion and marketing materials provided or approved by us and only use and display all material in accordance with our standards. You must obtain our prior written approval to use and/or display any advertising, promotion or marketing materials regarding your Freshslice Pizza Business or the System, including, all print and electronic advertising, networking or social media postings or listings (including on sites such as Facebook, Instagram, Twitter, Pinterest, LinkedIn, Yelp, and YouTube), website postings or listings, newspaper and magazine advertisements, direct mailers and mail coupons, not provided by us.

Uniforms

You must cause all of your personnel to wear appropriate attire in accordance with our standards, present a neat and clean appearance.

Signs

You must maintain approved signs and/or awnings identifying your Freshslice Pizza Business, which shall conform in all respects to our standards and the layout and design plan approved for your Freshslice Pizza Business.

Supplier Approval

If we have not designated a specific supplier for a good or service and you want to purchase or lease such good or service from a supplier whom we have not previously approved, you must obtain our approval in advance. The Operations Manual explains the procedures you must follow to apply for our approval. In some cases, we may ask you to submit samples or information about the supplier so that we can make an informed decision whether the products, services, equipment, fixtures, furnishings, signs, inventory and supplies, or proposed supplier, meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular goods or services, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may inspect a proposed supplier's facilities and test its products. We will notify you in writing within 45 days after we receive all supporting information from you and complete our inspection or testing to advise you if we approve the proposed item and/or supplier. However, our failure to send you written notice by the end of 45 days signifies that we disapprove the proposed item and/or supplier. Each supplier that we approve must comply with our usual and customary requirements regarding insurance, indemnification, and non-disclosure. Our approval does not guarantee the supplier's performance or ability to meet your needs. We may withdraw approval of particular non-designated goods/services or a supplier upon 30 days' written notice.

The Freshslice founder and our President, Ray Russell, indirectly owns our affiliate A&M, which manufactures the dough required to be used by Freshslice franchisees.

Required Purchases and Leases

We estimate that the purchase and lease of items from approved suppliers or that meet our specifications will be approximately 80% to 90% of your total expenses in connection with the establishment of your Freshslice Pizza Business, and approximately 35% to 45% of your total expenses in connection with the ongoing operation of your Freshslice Pizza Business.

We and our affiliates reserve the right to earn a profit on products and services sold to you and other Freshslice franchisees and may receive rebates or other consideration from unaffiliated suppliers with respect to their sales of services or products to you or other Freshslice franchisees, whether or not the product or service is presently mentioned in this Item. A&M is the only approved manufacturer for dough, though franchisees will purchase the dough through an independent distributor. As of the issuance date of this disclosure document we have no franchisees; therefore, neither we nor any affiliate (including A&M) has received any revenue from the sale of goods and services to our franchisees.

There are currently no purchasing or distribution cooperatives. We do not provide material benefits to you based solely on your use of designated or approved sources.

ITEM 9. Franchisee's Obligations

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

	Obligation	Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	6	Items 7, 8 and 11
b.	Pre-opening purchases/leases	7	Items 7 and 8
c.	Site development and other pre-opening requirements	7	Not Applicable
d.	Initial and ongoing training	5	Item 11
e.	Opening	7, 8.1	Item 11
f.	Fees	3, 17.1	Items 5 and 6
g.	Compliance with standards and policies/Operating Manual	8, 9	Item 11
h.	Trademarks and proprietary information	11	Items 13 and 14
i.	Restrictions on products/services offered	8.2, 8.4	Items 8 and 16
j.	Warranty and customer service requirements	8.2	Item 11
k.	Territorial development and sales quotas	Not applicable	Items 6 and 12
l.	Ongoing product/service purchases	8.2	Not Applicable
m.	Maintenance, appearance and remodeling requirements	4.2, 8.2	Item 11
n.	Insurance	13	Item 7
o.	Advertising	10	Items 6 and 11
p.	Indemnification	21.2	Item 6
q.	Owner's participation/management/staffing	2.4, 5.1, 8.2, 9.2, 16.2	Item 15
r.	Records and reports	12	Item 11
s.	Inspections and audits	12	Items 6 and 11
t.	Transfer	15, 16	Item 17
u.	Renewal	4.2	Item 17
v.	Post-termination obligations	17.10, 17.11, 17.12	Item 17
w.	Non-competition covenants	14	Item 17
x.	Dispute resolution	20	Item 17
y.	Other (guaranty)	2.4, Schedule B	Item 15

ITEM 10. Financing

Neither we, nor any of our agents or affiliates, currently offer, directly or indirectly, any financing arrangements to you, nor do we guarantee any lease or other obligations for you. We do not receive any benefit, monetary or otherwise, from any recommended lender. We cannot estimate whether you will be able to obtain financing for any part or all of your investment and, if so, the terms of the financing, which will depend on your creditworthiness and other characteristics. We do not have any past or present practice or intention to sell, assign or discount to any third party, in whole or in part, any note, contract or other instrument signed by you.

ITEM 11. Franchisor's Assistance, Advertising, Computer Systems, Training

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

A. Before you open your business, we will provide you with the following:

Site Selection Assistance. We do not locate sites for you. However, we may, without obligation, assist you in locating or evaluating a site. We will provide you with our demographic site selection criteria and general construction, design and appearance specifications including trade dress elements, kitchen layout and leasehold improvements for a prototypical Freshslice Pizza restaurant to assist you in evaluating potential retail sites. You may not construe any assistance we may provide, or our acceptance of a site, as a guarantee or other assurance that the site will be successful. The factors we consider in accepting sites include general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings and lease terms. (Section 6.1, Franchise Agreement.)

If you have not found a location for your Freshslice Pizza Business when you sign your Franchise Agreement, you must promptly locate a proposed site which meet our standards. You will submit in writing certain information regarding the site that we request. Upon receipt, we will review the information and either accept or reject the proposed site within about 30 days after your submission (or 15 days after you provide any supplemental information we request). You may enter into a lease or purchase agreement only after we accept the site. You must sign a lease or purchase agreement within 12 months from the effective date of your Franchise Agreement. (Sections 6.1, 6.2, and 6.4, Franchise Agreement.)

If you fail to sign a lease or purchase agreement for your Freshslice Pizza Business within twelve months from the effective date of your Franchise Agreement, we may terminate the Franchise Agreement immediately upon notice to you. Upon your request, we may grant you an additional twelve months to select and secure a location, which grant will be made solely at our discretion and may be withheld for any reason, and is subject to payment by you to us of a non-refundable extension fee of \$5,000 plus applicable taxes. (Section 6.4, Franchise Agreement.)

Development of Freshslice Pizza Business. We will provide a copy of our basic specifications for the design and layout of your Freshslice Pizza Business. We will provide a copy of our standards for the design and layout of a typical Freshslice Pizza Business and mandatory and suggested equipment, furnishings, and fixtures. (Section 7.1, Franchise Agreement.)

If you elect the turnkey option described in Item 5, we will undertake on your behalf, on an independent consultant basis, the full development, including all or any part of the construction and equipping of the Premises in conformity with the System standard layout plans, specifications, and

drawings. You will authorize and direct us to undertake the development of all or any part of the Premises and to do or cause to be done all or any part of such things as may be necessary to complete the Premises for use by you. We may nominate any person or persons, in our sole discretion, to perform all or any part of such work, including persons affiliated with us. All work shall be performed on a basis deemed commercially reasonable by us, and with consideration to the estimate previously furnished to you; provided, however, that we have not obligation to solicit competitive bids for any work performed or merchandise supplied in connection with the development. (Section 7.2, Franchise Agreement.)

If you do not elect the turn-key option, we will provide limited consulting and inspection services to determine whether the development of the Premises complies with our standards. We will not provide assistance to conform the Premises to local ordinances or building codes or obtain any required permits, or in the construction, remodeling or decorating the Premises. (Section 7.2, Franchise Agreement.)

Training. We provide an initial training program described below. (Section 5.1, Franchise Agreement.) We do not provide assistance in hiring your employees.

Operations Manuals. Our Operations Manual currently contains 138 pages. The Table of Contents of the Operations Manual, including the number of pages devoted to each subject and the total number of pages, is attached as Exhibit F. Our Operations Manual, bulletins, electronic communications and/or other directives will describe our mandatory and recommended standards and procedures. The Operations Manual may be in one or more volumes or chapters or segments. At such time as we update our Operations Manual, we will provide you access to the Operations Manual during the term of your franchise agreement. The Operations Manual may be delivered to you in any media utilized by us for delivery of the Operations Manual. We will have the right to update the Operations Manual and change the elements of our System as we deem appropriate. We will loan (or provide access to the Operations Manual via electronic interface) to you one copy of our confidential Operations Manual to use during the term of the Franchise Agreement. The Operations Manual contains our standard operational procedures, policies, rules, and regulations with which you must comply. (Section 9.1, Franchise Agreement.)

Time to Commence Operations. We estimate the typical length of time between signing a Franchise Agreement and commencing the operation of a Freshslice Pizza Business is between 6 to 12 months. The typical time for buildout of the Premises is 8 to 12 weeks, which can commence after receiving all necessary permits. If there are unforeseen delays, it could take considerably longer for you to open your Freshslice Pizza Business. Factors that may affect the length of time it takes you to commence operating your Freshslice Pizza Business include the process of negotiating a lease, construction delays, drafting architectural plans, obtaining permits, weather conditions, shortages, and delayed installation of equipment, fixtures and signs, and your successful completion of our initial training program, among other factors.

- B. During the operation of your Freshslice Pizza Business, we will:
1. provide up to 4 to 10 days of on-site training commencing shortly before and ending shortly after your Freshslice Pizza Business opens to the public (Sections 5.1, 5.3, Franchise Agreement);
 2. provide training courses, programs and conventions that we choose to provide (Section 8.8, Franchise Agreement). Such training courses, programs and conventions may require the payment of an additional fee;

3. upon reasonable request, we will give you additional assistance and advice to help you run your Freshslice Pizza Business (Section 5.3, Franchise Agreement). In our sole discretion, we may send a representative to your Freshslice Pizza Business to discuss your operations. If provided at your request, you must reimburse our expenses and pay our then-current training charges and travel expenses;
4. issue and modify our standards and the System (Sections 8.4, 11.4, Franchise Agreement);
5. provide you access to the Operations Manual (Section 9.1, Franchise Agreement);
6. approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose to use in connection with local advertising (Sections 10.1, 10.5 Franchise Agreement);
7. periodically designate and update menu items and products (Sections 8.2, 8.4, Franchise Agreement);
8. license you the right to use our Proprietary Marks (Section 2.1, Franchise Agreement); and
9. allow you to use our confidential information as we direct (Section 2.1, Franchise Agreement).

Advertising

At all times throughout the term of the Franchise Agreement, we, in our sole discretion, will conduct such national, regional, local and other advertising programs as we may deem necessary or appropriate. We, in our sole discretion, shall direct all such advertising programs with respect to the creative concepts, materials, endorsements and media used therein, and the placement and allocation thereof. Advertising may be placed in media of our choice, such as print, Internet, direct mail, radio, or television. The advertising may be prepared by us or outside sources. We have no obligation to ensure that our advertising programs in or affecting any geographic area are proportionate or equivalent to the number of Freshslice Pizza Restaurants operating in that geographic area or that any Freshslice Pizza Restaurant will benefit directly or proportionately from the development of advertising and marketing materials or the placement of advertising. (Section 10.4, Franchise Agreement.)

You must pay us a grand opening fee of \$5,000, which we will expend for a grand opening advertising and promotional program for your Freshslice Pizza Business beginning ten days before and ending five months after opening. (Section 10.2, Franchise Agreement.)

You must spend on local advertising each month, an amount not less than one percent (1%) of the total amount of your Gross Sales, if Gross Sales are less than \$50,000 per month. This amount must be spent on local advertising either directly by you or at your request and upon payment therefor by us. (Section 10.1, Franchise Agreement.)

In addition, you and your manager(s) must place Freshslice magnet logos on your cars, at no extra fee to you. We will provide any such logos, decals, etc. to you at no cost. Alternatively, we may require you to have your vehicle "wrapped" as a Freshslice Pizza vehicle, at our sole cost, provided

that you agree to maintain the wrapping on such vehicle for at least two (2) years. (Section 10.1, Franchise Agreement.)

We have not established a general brand fund in connection with the Freshslice System. However, we reserve the right to establish one in the future that you will be required to contribute to if you renew your franchise and sign our then-current form of franchise agreement.

We do not have an advertising council composed of franchisees that advises us on advertising policies.

Information Systems

You must use the POS system that we require (currently from Snappy Innovations, Inc.), and such additional and replacement computer and information systems we may specify. The cost to acquire the system currently is \$5,940 to \$7,000. Any changes to the POS and other computer and information systems will be at your sole cost. You must maintain and upgrade the POS and other computer and information systems as we specify, and you must utilize all functional elements of the POS system and reporting system as we may specify from time to time. We estimate the annual cost of maintenance, upgrades and changes to the current POS system to be covered by a monthly fee (currently \$250) you are required to pay to the POS system supplier. (Sections 7.3, 12.1, Franchise Agreement.)

We will access the POS and other computer and information systems and collect and use the electronic information in any manner we choose to promote the development of our franchise system and the sale of franchises. We own all the data generated by the POS and other computer and information systems and there is no limitation on our right to receive information through the POS and other computer and information systems.

Training

You must pay us an initial training & development fee of \$20,000 at the time you sign the franchise agreement. You and/or the designated manager of your Freshslice Pizza Business must successfully complete the initial evaluation and management training program to our satisfaction prior to opening your Freshslice Pizza Business to the public. The initial evaluation and management training is mandatory. Trainings are scheduled as needed and must be completed before the Franchised Business opens.

Prior to initial management training there is an initial evaluation, an “on-the-job evaluation” (“OJE”), consisting of one shift ranging between 8 to 10 hours at a Freshslice Pizza Business we choose. The potential franchisee will be trained on the opening and closing procedures of restaurant and on other Freshslice systems. There will be no compensation for this labor. The District Manager, Area Developer, or Director of Operations will evaluate the candidate’s skills and interest in becoming a franchisee. Upon completion of the OJE, we will inform the candidate whether they can become a Freshslice franchisee. All food travel and accommodation for the OJE will be at the expense of the candidate. (Section 5.1, Franchise Agreement.)

After the successful completion of the OJE there will be approximately 90 hours of initial management training at our headquarters in Vancouver, B.C. Canada, or at another location selected by us (the “initial training & development”). The initial training & development fee covers up to three people per location to attend, but you are solely responsible for all travel, lodging, wages and other costs associated with all individuals that attend training. If one person signs the Franchise Agreement,

then that person must attend training and may bring two additional individuals to training. If two people sign the Franchise Agreement, they both must attend training and may bring one additional person. (Section 5.1, Franchise Agreement.)

The initial training & development covers various aspects of the Freshslice Pizza system, including a general overview of the business; the Operations Manual, on which any trainees will be tested during the training period; information respecting product knowledge; general knowledge of price point and customer service; product and food preparation; opening and closing procedures; the placing and receiving of orders and answering the phone; how to use a cash register/POS system, sanitation and maintenance training, receipt review; how to deal with problem areas and inventory control; and the overall operation of the business.

Before your Freshslice Pizza Business is opened, you at your sole cost, expense and time will hire and train your staff. At your request and for an additional charge, we may coordinate with you to train your staff at a designated Freshslice Pizza Business that is in full operation.

INITIAL TRAINING & DEVELOPMENT PROGRAM

Subject	Hours of Classroom Training	Hours of On-The- Job Training	Location
Policies; Procedures; Culture; Brand Promises	12	0	Vancouver, B.C. Canada or other location designated by us
Back of House (Prep; Pars; Dough Flow; Purchasing; and Inventory Management)	0	20	Vancouver, B.C. Canada or other location designated by us
Front of House (Positions; Opening checklist; Closing checklist; primary responsibilities; secondary responsibilities; side work)	0	20	Vancouver, B.C. Canada or other location designated by us
Management (Labor scheduling; Inventory; Line checks; P&L management; Hiring; Training; Purchasing)	0	40	Vancouver, B.C. Canada or other location designated by us
Total	12	80	

Training is conducted by our certified training personnel, each of whom will be thoroughly experienced in the operation of a Freshslice Pizza Business. The instructional materials used in training include our Operations Manual.

We will provide additional assistance and training to you and your employees upon your request or as we deem necessary to instruct you and your employees with regard to new procedures or programs which we deem important to the operation of your Freshslice Pizza Business. We may also provide optional additional assistance for you and your employees. Such additional assistance may be held on a national or regional basis at locations that we choose. We may establish charges for the additional assistance (currently \$800/day, in addition to reimbursement for our Travel Expenses), and in addition to any charges we establish, you must pay all transportation costs, food, lodging and other similar costs that you and your employees incur in connection with attending any additional training.

ITEM 12. Territory

Protected Territory

The right and license granted to you in the Franchise Agreement is non-exclusive and is for the operation of one Freshslice Pizza Business at a location we approve.

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 of competitive brands that we control. However, we will grant you a protected territory that is a 1/2-mile radius from the address of your Freshslice Pizza Business. If we elect to open or franchise another Freshslice location within your protected territory, you will have a 14-day right of first refusal to purchase such additional location, subject to the following conditions:

- (a) you must demonstrate to our sole satisfaction that you are fully capable of successfully operating one location;
- (b) we must find you competent and capable of successfully handling a second location; and
- (c) you have fully complied with all of the terms and conditions of your Franchise Agreement and any other agreement entered into with us or our affiliates;
- (d) you have not been in any default of the Franchise Agreement or in any payment to us or any supplier to your Freshslice Pizza Business in the three months prior to the second location becoming available.
- (e) you have executed a general release of any and all claims against us and our officers, directors, agents, employees and affiliates, and directors and officers thereof, except in respect of those claims and causes of action that cannot be released at law; and
- (f) you have executed our then-current franchise agreement within 60 days of receiving notice of the proposed new location within your protected, which agreement may contain different terms and conditions, including different royalty rates and advertising contributions, than contained in the previous Franchise Agreement.

If you do not satisfy the qualifications in our sole assessment, the location will be offered to other qualified franchisees or may be opened by us.

The continuation of your protected territory does not depend on your achieving a specific level of sales, market penetration, or other condition.

Restrictions on your Sales and Marketing Activities

You may advertise within the territories of other Freshslice franchisees, although your advertising must be primarily directed towards customers within your protected territory. You may use the Internet to advertise only on our website and only to the extent expressly permitted under, and in compliance with, the Franchise Agreement. You may not market or sell through alternative channels of

distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, either within or outside of your protected territory. There are no other restrictions or limitations on your ability to solicit and serve customers from outside of your protected territory.

Relocation.

If your lease is terminated through no fault of your and you are not in default of any provision of the Franchise Agreement, you may relocate the Franchised Business to another location. You must obtain our prior written consent to any such relocation, which may be withheld by us in our sole discretion, with such discretion not to be exercised unreasonably. You will be responsible for all costs incurred by us in evaluating and approving any new location for the Franchised Business. You must, at your expense, conform the substitute premises to our then-current specifications and standards relating to premises design, furniture, fixtures and equipment for a Freshslice Pizza Business. You must, at your sole expense, remove from and around the original premises, and obliterate any visible indicia that the location was operated as a Freshslice restaurant upon relocation of the Franchised Business to the substitute premises. When properly constructed and then opened according to our standards, the substitute premises will be considered the new premises under this agreement.

Reserved Rights

Notwithstanding any other provision in the Franchise Agreement, we expressly reserve the following rights:

- (a) the right to establish or operate businesses identified in whole or in part by the Proprietary Marks within your territory that are located in airports, train stations, bus stations, movie theatres, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, tribal reservations, casinos or other captive market locations;
- (b) the right to establish or operate business using the Proprietary Marks at any location outside your territory;
- (c) the right to develop and license the use of, at any location within or outside your territory, proprietary marks other than the Proprietary Marks, in connection with the operation of a program or system which offers or distributes products or services which are the same as or similar to those offered under the System on any terms and conditions which we deem advisable, although we currently have no plans to do so; and
- (d) the right to solicit or accept orders and distribute any and all products, including the same or similar products sold by you from your Freshslice Pizza Business, through any distribution channels such as the Internet, catalog sales, telemarketing, or other direct marketing sales under or bearing the Proprietary Marks.

Except as described above, we have no policy on the proximity between an existing franchise and:


- (a) another franchise of ours or our affiliates of the same type as your franchise;
- (b) a franchisor outlet;
- (c) a franchise or other business we or our affiliates own or operate that distributes similar products or services under a different trademark, trade name or logo or that distributes different products or services under a similar trademark;
- (d) a franchise granted by us that distributes similar products or services under a different trademark, trade name or logo; and/or
- (e) any distributor or licensee using our Proprietary Marks.

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises outside your protected territory. We reserve the right to grant or refuse to grant a Freshslice Pizza Business in our sole discretion.

ITEM 13. Trademarks

We sublicense to you the right to operate a Freshslice Pizza Business under the name “Freshslice Pizza” or other name we designate. You must also use our other designated current or future Proprietary Marks to operate your Freshslice Pizza Business. By “Proprietary Mark” we mean primary trademarks, names, logos, and commercial symbols used to identify your Freshslice Pizza Business.

FHL owns the trademarks that are used in connection with the System, and has licensed us the right to sub-license to you the use of the following trademark, which is registered with the United States Patent and Trademark Office (“USPTO”) on the Principal Register:

MARK	REGISTRATION NUMBER	REGISTRATION DATE	STATUS
FRESH SLICE PIZZA & design 	4476675	February 4, 2014	Registered

We have filed all required affidavits for this trademark.

FHL and we also claim common law rights to the trademarks upon their continuous, exclusive, and extensive use and advertising.

As of the date of this disclosure document, there are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court; and no pending infringement, opposition, or cancellation proceeding or any pending material federal or state court litigation involving the trademarks. We do not know of any superior prior rights or infringing uses that could affect your use of the trademarks.

FHL has licensed us the right to use the System and Proprietary Marks in the United States, along with the right to sublicense the System and Proprietary Marks to or franchisees. There are no agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to your Freshslice Pizza Business.

You must follow our rules when you use our Proprietary Marks. You cannot use a name or mark as part of a corporate name or with modifying words, designs, or symbols except for those which we license to you. You may not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

You must notify us immediately when you learn about an infringement of or challenge to your use of our Proprietary Marks. We will take the action we think appropriate. We will have sole discretion to take the action we deem appropriate and will have the right to control exclusively any proceeding arising out of any infringement, challenge or claim relating to any Proprietary Mark. You must sign all documents, render assistance, and do all things that our counsel deems necessary to protect our interests in proceeding or otherwise to protect our interests in the Proprietary Marks.

While we are not required to defend you against a claim against your use of our Proprietary Marks, we will reimburse you for your liability and reasonable costs in connection with defending our Proprietary Marks. To receive reimbursement, you must have notified us immediately when you learned about the infringement or challenge.

We have the unlimited right to change or discontinue use of any Proprietary Mark or adopt additional or substitute trademarks. If we change, discontinue, add, or substitute any of the Proprietary Marks, then you must comply with our instructions in this regard, at your expense. Except as we may otherwise direct, you must implement any change within 60 days after notice by us. You must not directly or indirectly contest our right to our Proprietary Marks, trade secrets or business techniques that are part of our business.

FHL and we have the right to inspect your Freshslice Pizza Business to determine whether your use of the Proprietary Marks associated with the System are in compliance with the license of such Proprietary Marks granted to you.

ITEM 14. Patents, Copyrights, and Proprietary Information

There are no patents or pending patent applications material to the Franchise.

We will loan you, or make available to you, one copy of our Operations Manual(s) for confidential use in your Freshslice Pizza Business. Although neither we nor our affiliates have filed an application for a copyright registration for the Operations Manual(s), we claim common law copyrights in the Operations Manual(s). We also claim common law copyrights in other materials.

The Operations Manual(s), bulletins, electronic communications and/or other directives we provide you are our property, and you may not duplicate, copy, disclose or disseminate the contents of the same at any time, without our express written consent. We may modify or supplement the Operations Manual(s), bulletins, electronic communications and/or other directives upon notice or delivery to you. You must keep the Operations Manual(s) current at all times, and upon the termination or non-renewal of your Franchise Agreement return all Operations Manuals to us.

You may not copy, divulge, or use any confidential information, which may include our standards and the contents of our Operations Manuals, marketing concepts, and operating methods and techniques (the "Confidential Materials and Practices") during or after the term of your Franchise Agreement, except in connection with the operation of your Freshslice Pizza Business pursuant to a valid Franchise Agreement. You must follow all reasonable procedures we prescribe to prevent unauthorized use and disclosure of our Confidential Materials and Practices. You must inform your employees to whom the information, or any of it, is made available of this obligation of confidence, and have them sign a written non-disclosure, and submit a copy to us for our files.

There are no infringing uses actually known to us that could materially affect your use of the Confidential Materials and Practices. There are no agreements currently in effect that limit our rights to use or license the above-mentioned copyrights.

You must promptly tell us when you learn about unauthorized use of any of our Confidential Materials and Practices. We are not obligated to take any action but will respond to this information as we deem appropriate. We will control exclusively any litigation related to our Confidential Materials and Practices. We will reimburse you for losses claimed by a third party concerning your proper and authorized use of the Confidential Materials and Practices, if you have notified us immediately when you learned about the claim.

ITEM 15. Obligation to Participate in the Actual Operation of the Franchise Business

We require at least one of your owners to participate personally in the direct operation of your Freshslice Pizza Business on a full-time basis. Such owner must devote his or her full time, attention and effort to the Franchise business and must cooperate with the District Manager in ensuring that you and all employees are following the System. You may, with our prior written consent, place a full-time manager, who is not required to have an ownership interest in the franchisee entity, to be responsible for the operation of the business. Any such manager must pass our manager's test before taking over the operation of the restaurant. The manager must have the ability to operate and supervise your restaurant and satisfy managerial and business standards for you.

We may, in our sole discretion, require any individual with an interest in the franchisee entity to guarantee personally all your obligations to us under the Franchise Agreement, including confidentiality and non-competition covenants. A copy of our current form of Guarantee is attached as Schedule "B" to the Franchise Agreement.

ITEM 16. Restrictions on What the Franchisee May Sell

You must operate your Freshslice Pizza Business and perform all services in accordance with the operating guidelines and quality standards that we establish. You must operate your business during hours set by us, which may vary from territory to territory. You must sell and offer all and only those products that we authorize at or from your Freshslice Pizza Business. Authorized products may differ among our franchisees, and may vary depending on the operating season and geographic location

of your Freshslice Pizza Business or other factors. Upon receipt of written notice from us, you must sell and provide additional authorized products according to the instructions and within the time specified in the notice. You must stop selling and providing any previously approved or discontinued authorized products upon notice from us. There is no limit on our right to change the authorized products that you must sell. You may not stop offering any authorized product without our express written approval. At our request, you must also sell certain test products and/or offer certain test services. If you are asked to do so, you must provide us with reports and other relevant information regarding the test products and services.

All products with the exception of seasonal produce will be purchase through our approved third party distributor who will bill you directly. Our dough is a proprietary mixture manufactured by Freshslice and then distributed to you through the aforementioned third party.

The right and license granted to you has been granted to you solely for your use at the Premises, and you may use the Premises for the operation of your Freshslice Pizza Business only and for no other purpose.

You must maintain a minimum inventory of certain designated products, as specified by us from time to time. You may not offer, sell or provide any authorized products in connection with any Proprietary Mark, logo type or commercial symbol of any other person or business entity without our express written consent. You may not engage in any co-branding in or in connection with your Freshslice Pizza Business, except with our prior written consent. "Co-branding" includes the operation of an independent business, product line or operating system owned or licensed by an entity other than us that is featured or incorporated with your Freshslice Pizza Business and operated in a manner which is likely to cause the public to perceive it to be related to your Freshslice Pizza Business.

You may not solicit or service customers outside of your territory unless you receive our prior written consent.

Other than as set out in the Operations Manual, and in the non-competition covenants contained in the Franchise Agreement, there is no restriction contained in the Franchise Agreement with respect to the goods and services you may sell or to whom you may sell goods or services.

ITEM 17. Renewal, Termination, Transfer, and Dispute Resolution

This table lists certain important provisions of the franchise and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

	Provision	Section in Franchise Agreement	Summary
a.	Length of the Franchise term	4.1	The initial term will expire on the expiration of the initial term of your lease of the Premises, or the earlier termination of the lease.
b.	Renewal or extension of the term	4.2	You have the right to renew the franchise for the renewal term under the lease for the Premises, provided that you have fulfilled all the requirements for renewal.
c.	Requirements for franchisee to renew or extend	4.2	Modernize and refurbish Premises to current standards; not be in default; reimburse our expenses; pay renewal fee; execute a general release (subject to state law); sign out then-current form of franchise agreement which may have materially different terms.
d.	Termination by franchisee	Not Applicable	You can terminate under any grounds permitted by law.
e.	Termination by Franchisor - without cause	4.1	If you don't renew, franchise will terminate at expiration of current term.
f.	Termination by Franchisor - with cause	17.1 – 17.6	We may terminate by giving you written notice, in some cases after providing you written notice of default and a cure period. Cross-defaults may also result in termination.

	Provision	Section in Franchise Agreement	Summary
g.	“Cause” defined – curable defaults	17.1, 17.2, 17.3	Failure to cure a non-payment default within 15 days after written notice; or failure to cure non-compliance with any other obligation within 30 days after written notice of default. Prior to a termination becoming effective for these defaults, you will be given 90 days to sell your franchise.
h.	“Cause” defined – non-curable defaults	17.4, 17.5, 17.6	Three or more curable defaults within a 12-month period; failure to commence operation by the scheduled opening date; if you cause the Franchised Business to be closed or not operating for 3 consecutive business days, or 5 business days in any 30 consecutive day period without our prior consent; failure to assign within required timeframe after death or permanent disability; you become insolvent or become bankrupt; you cease your corporate existence; unauthorized assignment; you lose possession without release of any items of personal property used in the Franchised Business; failure to satisfy judgment entered against you; you are enjoined from operating the Franchised Business; foreclosure by a secured creditor upon the real or personal property used in the Franchised Business; unauthorized use or transfer of interest in the System; continual failure to offer for sale any approved products or offering to sell products not approved; intentional falsification or misrepresentation of information provided to us; you engage in misleading advertising or operate in dishonest, illegal or unethical manner; if your license to operate is suspended or revoked; failure to rectify any order issued by

	Provision	Section in Franchise Agreement	Summary
			a government or regulatory authority; your fail to complete initial training & development; offenses or acts that harm goodwill of System; you repudiate the Franchise Agreement or cause a consequences where you cannot rectify any material term, condition, covenant, provision or obligation.
i.	Franchisee's obligations on termination/non-renewal	17.10, 17.12	Discontinue operations; payment of all accounts by bank draft; return all items belonging to us; transfer telephone numbers and other directories; immediately discontinue use of the Proprietary Marks; comply with the non-competition provisions. We may purchase some or all of the assets of the Franchised Business, valued per formulas stated in the Franchise Agreement, if the franchise terminates or expires.
j.	Assignment of contract by Franchisor	15.4	We may assign at any time all or part of our rights.
k.	"Transfer" by franchisee – defined	15.1	To directly or indirectly (including by operation of law) assign, sell, transfer, share, or encumber, in whole or in part in any manner whatsoever, at law or at equity, the Franchise Agreement or any of your rights and privileges contained in it, or the Franchised Business or any part of it, or any share or other legal or beneficial ownership interest in the franchisee entity.
l.	Franchisor approval of transfer by franchisee	15.1	You must obtain our written approval before any transfer and satisfy conditions. We will not unreasonably withhold our consent (subject to applicable state law).
m.	Conditions for Franchisor approval of transfer	15.1	We may in our discretion condition consent on: transferee meets our then current requirements for new franchisees, and is not involved in

	Provision	Section in Franchise Agreement	Summary
			similar business; you have operated the Franchised Business for at least 2 years; we have received copies of proposed transfer documentation; you are not in default; landlord consent obtained if required; all debts are of the Franchised Business are paid before or upon transfer; you sign a release (subject to state law); transferee signs our then-current form of franchise agreement, which may provide for different terms, including higher fees, and all other related documents, including personal guarantees, or at our election signs an assumption of the Franchise Agreement with an extension of term; the proposed transferee completes training & development to our satisfaction; debt service of transferee meets our approval; and the proposed transferee paying us a transfer fee equal to an initial franchise fee, plus our estimated fees and expenses in processing application fee.
n.	Franchisor's right of first refusal to acquire your business	15.2	We have the right of first refusal to purchase any interest you decide to sell, assign or transfer in the Franchise Agreement or the Franchised Business on the same terms and conditions as contained in any offer.
o.	Franchisor's option to purchase your business	17.12	We may purchase some or all of the assets of the Franchised Business, valued per formulas stated in the Franchise Agreement, if the franchise terminates or expires.
p.	Death or disability of franchisee	16	Estate has 3 months to assign to qualified person. We may manage the Franchised Business on Estate's behalf during this time.

	Provision	Section in Franchise Agreement	Summary
q.	Non-competition covenants during the term of the franchise	14.1	No direct or indirect competition with the System, and no involvement or financial concern or interest in any competitive business, subject to state law.
r.	Non-competition covenants after the franchise is terminated or expires	14.2	For 24 months after expiration or termination of the Franchise Agreement, no direct or indirect competition with the System or any system owned by us or our affiliates, and no involvement or financial concern or interest in any competitive business, at the Premises, or within 5 miles of the Premises or within 5 miles of the location of another System restaurant.
s.	Modification of the agreement	21.7	Only in writing signed by you and us.
t.	Integration/merger clause	21.6	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable. Nothing in the Franchise Agreement or in any related written agreement is intended to disclaim the representations we made in the disclosure document that we furnished to you.
u.	Dispute resolution by arbitration or mediation	20	Subject to potential limitations of your state's law, and except for cases seeking interim relief and certain other exceptions listed in the Franchise Agreement, all claims must be resolved first through mandatory mediation at our headquarters, then by arbitration in Seattle, Washington. We retain the right to seek injunctions and other emergency relief for the protection and enforcement of certain rights.

	Provision	Section in Franchise Agreement	Summary
v.	Choice of forum	20.4	Subject to potential limitations of your state's law, litigation must be in Seattle, Washington.
w.	Choice of law	20.4	Subject to potential limitations of your state's law, Washington law applies for construction and interpretation of the franchise agreement, but does not give rise to statutory or regulatory claims that would not otherwise apply.

ITEM 18. Public Figures

We currently do not use any public figure to promote our franchises.

ITEM 19. Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (i) a franchisor provides the actual records of an existing outlet you are considering buying; or (ii) 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.

Forecasted Financial Performance Information

The following is a forecast of the financial performance of an average US franchisee, specifically, the average daily dough used by the Franchised Business, the averages Gross Sales per dough used, average daily Gross Sales, and projected annual Gross Sales, along with various annual expense categories, total expenses, gross profit, and gross profit margin.

ANNUAL SALES	
Average Daily Dough	100
Average Gross Sales per Dough	\$20.0
Average Daily Gross Sales	\$2,000
Annual Gross Sales	\$730,000

ANNUAL EXPENSES			
Category	% of Sales	Total \$	
Food Cost	33%	40%	\$240,900
Paper & Packaging	3%		\$21,900
Chemical, Cleaning Supplies, Employee Food & Promotional Discount	4%		\$29,200
Local Marketing	1%	\$7,300	
Total Employee Wages	18%	\$124,100	
Manager Salary (for you)	Flat	\$55,000	
Insurance	FLAT	\$1,300	
Telephone & Internet	FLAT	\$1,800	
3rd Party delivery	3%	\$21,900	
Accounting, Credit Card, POS, Rewards, Utilities, Alarm & Banking Fees	FLAT	\$18,000	
Food Waste Based on Number of Whole Pizza	DAILY	\$	\$6,023
	3		
Maintenance	1%	\$7,300	
Rent	Monthly	FLAT	\$60,000
	\$5,000		
Total Expenses	\$594,723		
Gross Annual Profit/Loss	\$135,278		
Gross Profit Margin	19%		

The terms in the table above have the following meanings:

Average Daily Dough – the total amount of 16” and 12” pizzas sold as full pizzas or in slices on a daily average

Average Gross Sales per Dough – total gross sales divided by the total amount of 16” and 12” pizzas sold as full pizzas or in slices on a daily basis

Average Daily Gross Sales – the daily average over the course of a year of the entire amount of the actual retail sales of all of products and all other receipts or receivables whatsoever, excluding from any and all business conducted upon or originating from the Premises, excluding the amount of any tax imposed by any federal, state, municipal, or governmental authority

Annual Gross Sales – the entire annual amount of the actual retail sales of all of products and all other receipts or receivables whatsoever excluding from any and all business conducted upon or originating from the Premises excluding the amount of any tax imposed by any federal, state, municipal, or governmental authority on an annual basis

Food Cost – total cost of all ingredients included individually or pre-prepared in items that are sold by the Restaurant

Paper & Packaging – total cost of all paper and packaging goods that items sold by the Restaurant are contained in

Chemical, Cleaning Supplies, Employee Food & Promotional Discount – chemical and cleaning supplies used during the regular course of business to ensure that the premises is operating within health and safety guidelines; employee food is food consumed on or off premises that is given to an employee for each shift worked—the current recommendation is 2 slices and a drink for a minimum four-hour shift; promotional discount is the difference between regular retail and discounted price used to promote specific “sale items”

Local Marketing – promotion of the individual location that is initiated by the franchise owner such as direct mail within the store’s trading area

Total Employee Wages – all wages earned by hourly-paid employees

Manager Salary – all wages earned by management on a yearly basis

Insurance – premiums for business insurance, designed to protect the businesses from losses due to unexpected events during normal business operations, such as lawsuits, natural disasters, or accidents, including coverage for property damage, legal liability, and employee-related risks, among others

Telephone & Internet – utilities provided by local suppliers

3rd Party Delivery – fees paid to providers such as Uber Eats, Door Dash, and Skip the Dishes, whose services are employed to deliver customer’s orders

Accounting, Credit Card, POS, Rewards, Other Utilities, Alarm & Banking Fees – various fees contracted from local suppliers in the conduct of regular business activities

Food Waste Based on Number of Whole Pizza – pizzas displayed in the warmer have a shelf life of two hours maximum after which time the product is wasted

Maintenance – the cost incurred by maintaining all equipment in good working order

Rent – all money paid to a landlord to rent the premises in which the business is conducted

Bases and Assumptions

These projected income and expense figures are based on the actual historical performance of Freshslice franchisees located in Canada. There are 77 Freshslice franchise locations in the Canadian Freshslice system. In determining this forecast, we reviewed and calculated averages for the sales and expense figures from all of our affiliate’s franchise locations in Canada. These historical sales and expense figures were provided by the subject franchisees, and no audit has been conducted on said figures.

Almost all of the Canadian franchisees are located in large metropolitan areas. Almost all of the Canadian franchise locations are in an area with heavy foot traffic (such as food courts, shopping centres, main roads, and public transit entrances). Many of the Canadian franchisees have had prior

experience in the service industry. Many of the Canadian franchisees have had prior experience in the food industry. Most of the Canadian franchisees have post-secondary education. Most of the Canadian franchisees received financial support from family members. Most of the Canadian franchisees have consumed food and beverages at Freshslice locations prior to becoming franchisees. The market where your Freshslice restaurant will be located, however, may be in a smaller urban or suburban area. Accordingly, the results achieved by these franchisees may not be typical for those in your area. The above projections also assume a stable supply of ingredients, that expenses in the United States are less than in Canada, and that retail prices increase no more than 3% in the following year.

Our financial information that forms the bases for our financial performance representation is available to you upon reasonable request.

These figures are only estimates of what we think you may earn. There is no assurance you'll do as well. If you rely upon our figures, you must accept the risk of not doing as well.

Other than the preceding financial performance representation, Freshslice USA Inc. does 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 these 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 Tom Horler, at 1610 Ingleton Avenue, Burnaby, British Columbia, V5C 5R9, or by phone at 604-251-7444 ext 107; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20. List of Outlets and Franchisee Information

Our fiscal year ends on December 31.

Table No. 1A
System-wide Outlet Summary (U.S.)
For years 2019-2022

Outlet Type	Year	Franchised Businesses at the Start of the Year	Franchised Businesses at the End of the Year	Net Change
Franchised (U.S.)	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlets	2020	0	0	0
	2021	0	0	0
	2022	0	0	0

Table No. 1B
System-wide Outlet Summary (Canada)
For years 2019-2022

Outlet Type	Year	Franchised Businesses at the Start of the Year	Franchised Businesses at the End of the Year	Net Change
Franchised (Canadian)	2020	72	64	-8
	2021	64	63	-1
	2022	63	60	-3
Company-Owned (Canadian)	2020	2	7	5
	2021	7	10	3
	2022	10	8	-2
Total Canadian Outlets	2020	74	71	-3
	2021	71	73	2
	2022	73	68	-5

Table No. 2A
Transfers of U.S. Outlets from Franchisees to New Owners
(other than the Franchisor)
For years 2019-2022

State	Year	Number of Transfers
All States	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

Table No. 2B
Transfers of Canadian Outlets from Franchisees to New Owners
(other than the Franchisor)
For years 2019-2022

Province	Year	Number of Transfers
Alberta	2020	0
	2021	0
	2022	1
British Columbia	2020	1
	2021	1
	2022	3
Other Provinces	2020	0
	2021	0
	2022	0
Total	2020	1
	2021	1
	2022	4

Table No. 3A
Status of U.S. Franchised Outlets
For years 2019-2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
All States	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

**Table No. 3B
Status of Canadian Franchised Outlets*
For years 2019-2022**

Province	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alberta	2020	0	2	0	0	0	0	2
	2021	2	2	0	0	0	0	4
	2022	4	2	0	0	0	1	5
British Columbia	2020	72	5	3	3	1	9	61
	2021	61	5	0	0	0	10	56
	2022	56	2	2	1	0	2	53
Manitoba	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Ontario	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	2	0	2	0	3
Saskatchewan	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Other Provinces	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Total	2020	72	7	3	3	1	9	64
	2021	64	9	0	0	2	10	63
	2022	63	5	0	1	3	2	60

**Table No. 4A
Status of U.S. Company-Owned Outlets*
For years 2019-2022**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
All States	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2019	0	0	0	0	0	0

**Table No. 4B
Status of Canadian Company-Owned Outlets
For years 2019-2022**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
British Columbia	2020	2	3	3	0	1	7
	2021	7	2	1	0	1	9
	2022	9	0	0	0	4	5
Ontario	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	2	0	0	2
Saskatchewan	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1
Other Provinces	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Total	2020	2	3	3	0	1	7
	2021	7	3	1	0	1	10
	2022	10	0	2	0	4	8

**Table No. 5
Projected U.S. Openings as of December 31, 2022**

STATE	AGREEMENTS SIGNED BUT BUSINESSES NOT OPEN	PROJECTED NEW FRANCHISEES IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED LOCATIONS IN NEXT FISCAL YEAR
California	0	0 to 1	0
Florida	0	0 to 1	0
Utah	0	0 to 1	0
Washington	0	0 to 2	0
Other States	0	0 to 1	0
Totals:	0	0 to 6	0

The name of each of our and our affiliates' Freshslice Pizza franchisees and the address and telephone number of each of their outlets as of the end of our last fiscal year (unless another date is stated on the list) is in Exhibit F. The name and last known city, state and telephone number or email address of each franchisee whose Freshslice Pizza Business has been terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business during the last fiscal year are also included in Exhibit F. There are no franchisees who have not communicated with us within 10 weeks of the issuance date of this disclosure document.

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

No current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We are not currently aware of any trademark-specific franchisee organization associated with our franchise system.

ITEM 21. Financial Statements

Our audited financial statements for period ended August 28, 2023 are included in Exhibit C to this disclosure document. We have not been in business for three years and do not have three years of audited financial statements to include in this disclosure document. Our fiscal year ends on December 31 each year.

ITEM 22. Contracts

All proposed agreements regarding the franchise offering are attached as follows:

- Exhibit A Franchise Agreement, with the following attached schedules:
 - Schedule "A" – Premises and Trademarks
 - Schedule "B" – Guaranty and Assumption of Franchisee's Obligations
 - Schedule "C" – Confidentiality Agreement
 - Schedule "D" – Assignment of Internet & Telephone Number License(s) and Accounts
 - Schedule "E" – ACH Debit (ACH) Agreement
- Exhibit B Confidentiality Agreement
- Exhibit G Franchise Disclosure Document Questionnaire
- Exhibit H Form of General Release
- Exhibit I State Specific Addenda

ITEM 23. Receipt

The last Exhibit to this disclosure document contains duplicate Receipts that will serve as an acknowledgement by you that you have received a copy of this disclosure document. You should sign both copies of the Receipt, return one copy to us and retain one for your records. If the Receipt pages, or any other page or Exhibit is missing from your copy of the franchise disclosure document, please contact us immediately.

EXHIBIT A

Franchise Agreement

Freshslice USA LLC

1610 Ingleton Avenue

Burnaby, British Columbia, V5C 5R9



FRANCHISE AGREEMENT

Effective Date: _____

BETWEEN

FRESHSLICE USA LLC

AND

Location: _____

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SCHEDULES TO THE FRANCHISE AGREEMENT:

SCHEDULE "A"	PREMISES AND TRADEMARKS
SCHEDULE "B"	GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS
SCHEDULE "C"	CONFIDENTIALITY AGREEMENT
SCHEDULE "D"	ASSIGNMENT OF INTERNET & TELEPHONE NUMBER LICENCE(S) AND ACCOUNTS
SCHEDULE "E"	ACH DEBIT (EFT) AGREEMENT

THIS FRANCHISE AGREEMENT (this “**Agreement**”) made on:

_____ (“**Effective Date**”)

BETWEEN

FRESHSLICE USA LLC, a Delaware limited liability company, having an office at 1610 Ingleton Avenue, Burnaby, British Columbia, V5C 5R9, Canada (the “**Franchisor**”)

AND

(collectively the “**Franchisee**”)

WHEREAS the Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed a unique and distinctive system for the development, opening and operation of distinctive restaurants which feature a unique System for selling pizza and related products and provide carry-out and delivery service (the “**System**”);

AND WHEREAS the distinguishing features of the System include, but are not limited to, food selection and presentation, secret recipes, unique methods and procedures, especially designed premises with distinctive decor, equipment, equipment layouts, staff uniforms, interior and exterior accessories, identification schemes, color schemes, products, management programs, standards, specifications and proprietary marks and information;

AND WHEREAS Freshslice Holdings Ltd. (“**FHL**”) owns certain trade names, trademarks, logos, emblems and indicia of origin which are used in association with the System, including but not limited to the trademark FRESHSLICE;

AND WHEREAS FHL has granted to the Franchisor the right to use and license others to use the trademarks owned by FHL in the operation of Freshslice Pizza restaurant businesses.

AND WHEREAS by reason of a uniform business format and high standards of quality and service the Franchisor has created a substantial demand for its products and services and built valuable goodwill in the Proprietary Marks (as hereinafter defined);

AND WHEREAS the Franchisee is desirous of acquiring from the Franchisor the right and license to operate a Freshslice restaurant utilizing the Franchisor’s business format, methods, specifications, standards, operating procedures, and trademarks, and upon the terms and conditions hereinafter set forth.

NOW THEREFORE this Agreement witnessed that in consideration of the mutual covenants and agreements herein contained the parties hereto do hereby covenant and agree with each other as follows:

ARTICLE 1 DEFINITIONS

Where used herein or in any schedules or amendments hereto, the following terms shall have the following meanings:

- (a) “**Affiliate**” means any entity that, directly or indirectly through one or more intermediaries, is in control of, is controlled by, or is under common control with Franchisor. For purposes of this definition, “control” of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the equity interests having

ordinary voting power for the election of directors (or persons performing similar functions) of such entity, or (b) direct or cause the direction of the management and policies of such entity, whether by contract or otherwise.

- (b) **“Franchise Fee”** has the meaning provided in Section 3.1.
- (c) **“Franchised Business”** means the restaurant business to be operated by the Franchisee under the trade name “Freshslice” at the Premises pursuant to the provisions of this Franchise Agreement.
- (d) **“Guarantor”** means any person or entity who has executed a Guarantee as provided in Section 2.4.
- (e) **“Gross Sales”** means the entire amount of the actual retail sales price of all sales of products and all other receipts or receivables whatsoever from any and all business conducted upon or originating from the Premises, including telephone order sales, and sales made through the Internet, whether such sales or other receipts be by check, for cash, credit, charge accounts, exchange or otherwise and whether such sales be made by means of mechanical or other vending devices in the Premises. There shall be no deductions or allowances for uncollected or uncollectable credit accounts or for bad debts. Gross Sales shall include the amount of all sales deemed to have been lost by the interruption of business at the Premises, determined on the basis upon which proceeds of any business interruption insurance are paid or are payable to the Franchisee or other occupiers of the Premises.

Gross Sales shall not include:

- (i) the amount of any tax imposed by any federal, state, municipal, or governmental authority directly on sales and collected from customers if such tax is added to the selling price and actually paid by the Franchisee to such governmental authority.
- (ii) the amount of the refund or credit given in respect of any products returned or exchanged by a customer for which a refund of the whole or a part of the purchase price is made or for which a credit is given, provided that the selling price thereof was included in Gross Sales; and,
- (iii) the amount of any credit granted by the Franchisor to the Franchisee under any national coupon redemption or similar promotion program.

Each charge or sale upon instalment or credit shall be treated as a sale for the full price in the week during which such charge or sale shall be made, irrespective of the time when the Franchisee shall receive full or partial payment therefor.

- (f) **“Initial Term”** has the meaning provided for in Section 4.1 hereof.
- (g) **“Internet”** means a global computer network providing a variety of information and communication facilities, consisting of interconnected networks using standardized communication protocols.
- (h) **“Manual”** means, collectively, all books, pamphlets, bulletins, memoranda, letters, notices, video or audio, computer media (i.e.: computer software, CD-ROM) or

other publications, documents or electronic media prepared by or on behalf of the Franchisor for use by franchisees generally or for the Franchisee in particular, setting forth information, advice, standards, requirements, operating procedures, instructions or policies relating to the operation of Freshslice restaurant businesses, as same may be amended from time to time.

- (i) **“Ownership Agreement”** means an agreement regarding the ownership and governance of the Franchisee if the Franchisee is a partnership or any type of entity owned by two or more persons.
- (j) **“Premises”** means the premises at which the Franchised Business is to be located, as described in Schedule “A” hereto.
- (k) **“Proprietary Marks”** means the certification marks, trademarks, trade names and other commercial symbols and related logos as set forth in Schedule “A” hereto, including the mark “FRESHSLICE”, together with such other trade names, trademarks, symbols, logos, distinctive names, certification marks, logo designs, insignia or otherwise which may be designated by the Franchisor as part of the System from time to time, and not thereafter withdrawn.
- (l) **“Related Parties”** means Franchisor’s Affiliates and the directors, officers, managers, owners, employees, partners, agents, trustees, administrators, advisors and representatives of Franchisor and its Affiliates.
- (m) **“Territory”** means a half-mile radius surrounding the Premises.
- (n) **“Transfer”** has the meaning provided in Section 15.1 below.
- (o) **“Turnkey Cost”** has the meaning provided in Section 7.1 below.

ARTICLE 2 GRANT

2.1 Grant

Subject to the provisions of this Agreement and for the term hereinafter specified, the Franchisor hereby grants to the Franchisee the right to operate a Franchised Business at and only at the Premises and a non-exclusive license to use the System and Proprietary Marks solely and exclusively in the operation thereof. Termination or expiration of this Agreement shall constitute a termination or expiration of the rights and license granted herein to the Franchisee.

2.2 Right of First Refusal to New Franchise Within the Territory

If Franchisor determines, based on the population size, market conditions and other related factors of the Territory, to establish and operate, or grant others the right to establish and operate another Freshslice Pizza restaurant within the Territory (the **“New Franchise”**), the Franchisor shall promptly give notice thereof to the Franchisee. Upon receipt of such notice, the Franchisee shall have fourteen (14) days to exercise the option to purchase the right to open and operate the New Franchise. If the Franchisee does not notify the Franchisor in writing within the 14-day exercise period that the Franchisee is electing to purchase the New Franchise, the Franchisor shall be free to offer the New Franchise to any third party or to establish and operate the New Franchise itself within the Territory. If the Franchisee exercises such option, the Franchisee shall have thirty (30) days from the date of its receipt of the Franchisor’s initial notice to enter into a

new franchise agreement with the Franchisor for the New Franchise. The Franchisee's right to acquire the New Franchise shall be further subject to the following terms and conditions being complied with in full:

- (a) the Franchisee shall, at the time of exercising the option, be in full compliance with all of the terms and conditions of this Agreement and any other agreement entered into with the Franchisor or any Affiliate of the Franchisor, and shall have continuously complied with the operating standards and criteria established for the Franchised Business, including, without limitation, the System;
- (b) the Franchisee shall execute a new franchise agreement in the form then being used by the Franchisor, which may contain higher royalty rates and advertising contributions and different terms and conditions than contained in this Agreement, and shall execute such other documents and agreements as are then customarily used by the Franchisor in the granting of franchises and licenses; and
- (c) the Franchisee shall have executed a General Release of claims, in the Franchisor's prescribed form, of any and all claims against the Franchisor and its Related Parties, except in respect of those claims and causes of action that cannot be released at law.

2.3 Rights Retained

Notwithstanding any other provision in this Agreement, the Franchisor expressly reserves the following rights:

- (a) the right to establish or operate businesses identified in whole or in part by the name and mark "Freshslice Pizza" and/or other Proprietary Marks within and/or outside the Territory that are located in airports, train stations, bus stations, movie theatres, stadiums, arenas, convention centers, military facilities, schools, colleges, universities, hospitals, recreational theme parks, business or industrial foodservice venues, tribal reservations, casinos or any similar captive market location;
- (b) the right to establish or operate a Freshslice Pizza business at any location outside the Territory;
- (c) the right to develop and license the use of, at any location, trade names, trademarks, symbols, logos, distinctive names, certification marks, logo designs, and insignia, other than the Proprietary Marks, in connection with the operation of a program or system which offers or distributes products or services which are the same as or similar to those offered under the System, on any terms and conditions which the Franchisor deems advisable; and
- (d) the right to distribute any and all products, including products sold by the Franchisee, through any distribution channels under or bearing the Proprietary Marks.

2.4 Guarantee

The grant of license in Section 2.1 is made by the Franchisor in reliance on the personal attributes of the Franchisee's directors, officers, shareholders, partners or members, and in consideration of the trust and confidence which the Franchisor places in those individuals who will actively and

substantially participate personally in the beneficial ownership and management of the Franchised Business. Accordingly, each of the Franchisee's directors, officers, shareholders, partners or members, as shall be required by the Franchisor, shall execute and deliver Franchisor's current form of guaranty (each, a "**Guaranty**," and the current form of which is attached as Schedule "B" hereto) at the same time as Franchisee executes and delivers this Agreement.

ARTICLE 3 INITIAL & ONGOING FEES

3.1 Franchise Fee

In consideration of the Franchisee receiving the opportunity to establish and conduct the Franchised Business at the Premises, the Franchisee shall pay to the Franchisor, by way of certified check or banker's draft, upon the execution of this Agreement, an initial, non-recurring, non-refundable franchise fee in the amount of Twenty-Five Thousand Dollars (\$25,000.00) (the "**Franchise Fee**"). The Franchise Fee shall be deemed to be fully earned by the Franchisor upon the execution of this Agreement by the Franchisor and in consideration of the grant by it to the Franchisee of the opportunity to establish the Franchised Business as herein provided, and the Franchisee shall not be entitled to a refund of any part thereof, regardless of the date of expiration or termination of this agreement, except as specifically provided in Section 5.2.

3.2 Legal and Account Set Up Fee

The Franchisee shall also pay to the Franchisor, by way of certified check or banker's draft, upon the execution of this Agreement, a non-recurring, non-refundable legal and account administrative fee in the amount of Ten Thousand Dollars (\$10,000.00) (the "**Administration Fee**"). The Administration Fee shall be deemed to be fully earned by the Franchisor upon the execution of this Agreement by the Franchisor, and the Franchisee shall not be entitled to a refund of any part thereof, regardless of the date of expiration or termination of this agreement, except as specifically provided in Section 5.2.

3.3 Initial Training & Development Fee

The Franchisee shall also pay to the Franchisor, by way of certified check or banker's draft, upon the execution of this Agreement, a non-recurring, non-refundable initial training & development fee in the amount of Twenty Thousand Dollars (\$20,000.00) (the "**Initial Training & Development Fee**"). The Initial Training & Development Fee shall be deemed to be fully earned by the Franchisor upon the execution of this Agreement by the Franchisor, and the Franchisee shall not be entitled to a refund of any part thereof, regardless of the date of expiration or termination of this agreement, except as provided in Section 5.2.

3.4 Continuing Royalty on Special Items

If the Franchisor in its sole discretion agrees to grant written approval to the Franchisee to sell items that are outside of the core brand menu, including but not limited to alcohol sales, the Franchisee will pay to the Franchisor a royalty of ten percent (10%) of Gross Sales of the approved items for each month. Such royalties to be payable in on or before the second Friday of each month for the Gross Sales generated by the Franchisee during the previous month.

ARTICLE 4 TERM

4.1 Initial Term

The term of this Agreement (the “**Initial Term**”) shall commence on the date of signing this Agreement and shall expire on the end of the initial term of the lease for the Premises (excluding any extensions or renewal options under the lease).

4.2 Renewal

If throughout the Initial Term the Franchisee shall have fully complied with all of the terms and conditions of this Agreement and any other agreement entered into between the Franchisor or an Affiliate and the Franchisee and shall have complied with the operating standards and criteria established for the Franchised Business, including, without limitation, the System, the Franchisee shall have the option to renew this Agreement for one additional term equal to the renewal or extension term of the lease for the Premises, in accordance with the current renewal terms of the Franchisor. Such a renewal will commence on the day after the expiry of the Initial Term, unless terminated sooner in accordance with the terms and conditions of this Agreement. Renewal shall be subject to the following terms and conditions being satisfied in full prior to the expiration of the Initial Term:

- (a) the Franchisee shall do or cause to be done all such things as the Franchisor may require to ensure that the Franchised Business satisfies the then current image, standards and specifications established by the Franchisor for new franchises in the System whether or not such image, standards or specifications reflect a material change in the System in effect during the Initial Term. Without limiting the generality of the foregoing, the Franchisee shall make such capital expenditures as the Franchisor shall determine as being required in connection with the foregoing for the modernization and refurbishing of the Premises and all fixtures, furnishings, equipment and signs therein or thereon;
- (b) the Franchisee is not in default of any provision of the lease or sublease for the Premises and satisfies the Franchisor that it has the right to remain in possession of the Premises for such renewal term;
- (c) the Franchisee shall reimburse the Franchisor for all reasonable internal and external expenses, including legal fees, and other costs and expenses incurred by it in the exercise of the renewal option herein provided for, and the Franchisee shall have promptly paid all amounts owing by it to the Franchisor;
- (d) the Franchisee shall have agreed to pay an annual renewal fee to the Franchisor of up to \$5,000 per year of the renewal term, the specific amount to be determined by the Franchisor based on the Franchisor’s analysis of the performance of the Franchised Business during the Term;
- (e) the Franchisee is not in default of any provision of any permits or licenses for the Franchised Business carried on at the Premises and is able to renew such permits and licenses as necessary;
- (f) the Franchisee shall have executed a General Release of claims, in the Franchisor’s prescribed form, of any and all claims against the Franchisor and its

Related Parties, except in respect of those claims and causes of action that cannot be released at law; and

- (g) at the commencement of the renewal term, the Franchisor may elect, at its sole and unfettered discretion, to require the parties to execute a new franchise agreement in the then current form used by the Franchisor for renewal franchises, which may contain, among other amendments, higher royalty rates and advertising contributions and different terms and conditions than contained in this Agreement, and shall execute such other documents and agreements as are then customarily used by the Franchisor in the granting of franchises. If the Franchisor elects not to require the parties to execute a new franchise agreement, all of the provisions contained in this Agreement in effect immediately prior to the commencement of the renewal term shall remain in force during the renewal term (except for any further right of renewal).

4.3 Continuing to Operate.

If the Franchisee continues to operate after the end of the Term or any Renewal Term without exercising an option to renew, the Franchisee shall be deemed to be operating on a month-to-month basis under the terms and conditions of this Agreement. In such circumstances, and notwithstanding the foregoing, the Franchisor may terminate the Franchisee's franchise agreement at any time on ten (10) days' written notice.

ARTICLE 5 TRAINING AND OPERATING ASSISTANCE

5.1 Training by the Franchisor

Following execution of this Agreement, the Franchisee, or the Franchisee's principal owner designated to assume primary responsibility for the management of the Franchised Business (the "**Designated Manager**"), is required to attend and successfully complete an initial "on-the-job" evaluation ("**OJE**") for one (1) day at a location chosen by the Franchisor. The OJE will enable the Franchisor to evaluate the Franchisee's ability to successfully operate and manage a Freshslice Pizza franchise on a day-to-day basis. The Franchisor shall not be responsible for payment to the Franchisee or Designated Manager of any salary or remuneration during OJE.

Following successful completion of OJE, the Franchisor shall provide to the Franchisee or the Designated Manager, and a maximum of two additional employees of the Franchisee, prior to the opening of the Franchised Business, a management training course of approximately ninety hours (90) covering all phases of the System at the Franchisor's headquarters or such other place as the Franchisor directs (the "**Initial Training & Development**"). The Franchisee or Designated Manager shall be obligated to attend and ensure that the aforementioned individuals attend the Initial Training & Development. The Franchisee shall be responsible for all travel and living expenses and all wages payable to any trainee and no wages shall be payable by the Franchisor to any such trainee for any service rendered at any of the Franchisor's restaurants during the course of the Initial Training & Development. Additional training, start-up assistance, or retraining or refresher courses may be provided by the Franchisor, at its discretion.

Following successful completion of the Initial Training & Development by the Franchisee's trainees, the Franchisor will assist the Franchisee in selecting and/or securing premises and provide such further and other training and assistance as required by the Franchisee pursuant to the terms of this Agreement. The Franchisor reserves the right to charge the Franchisee for any additional training provided to Franchisee after the OJE and initial management training program.

Every new person employed by the Franchisee from time to time as the Designated Manager must complete the initial management training program unless the Designated Manager has previously completed such training program while employed at another Freshslice restaurant.

5.2 Option to Terminate; Refund.

If the during the OJE program the Franchisee or its Designated Manager wishes to withdraw from consideration as a franchisee, the Franchisee may terminate this Agreement immediately upon notice to the Franchisor, and the Franchisor will refund to the Franchisee 100% of the Franchise Fee, Administration Fee, and Initial Training & Development Fee received from the Franchisee, upon receipt of a general release by the Franchisee in Franchisor's standard form.

If the Franchisee or its Designated Manager fails to successfully complete, in Franchisor's sole judgment, the OJE program, the Franchisor may terminate this Agreement immediately upon notice to the Franchisee, and the Franchisor will refund to the Franchisee 100% of the Franchise Fee, Administration Fee, and Initial Training & Development Fee received from the Franchisee, upon receipt of a general release by the Franchisee in Franchisor's standard form.

If the Franchisee successfully completes the OJE, in the Franchisor's sole judgment, the Franchisee shall not thereafter be entitled to a refund of any part of the Franchise Fee, Administration Fee, and Initial Training & Development Fee.

5.3 Operating Assistance

During the term of this Agreement the Franchisor shall provide to the Franchisee such continuing advice and guidance as is, in the sole judgement of the Franchisor, reasonably required for the Franchisee with respect to the planning, opening and operation of the Franchised Business, including consultation and advice regarding:

- (a) grand opening advertising and promotional programs;
- (b) selection, purchasing, stocking, preparation, and display of products, including food and supplies;
- (c) formulation and implementation of advertising and promotional programs;
- (d) inventory control, point of sale procedures, financial management and general operating procedures; and
- (e) improvements to the System, including new product and service development.

Such advice and guidance will generally be at no additional cost to the Franchisee initially, but Franchisor reserves the right to charge a reasonable fee if extended support is requested by the Franchisee.

ARTICLE 6 PREMISES

6.1 Selection of Premises

If at the time of execution of this Agreement, a location for the Franchised Business has not been obtained, the Franchisee must apply best efforts to find a location and to bring it to Franchisor's attention by completing the Franchisor's site submittal form.

The Franchisee must begin the site selection process immediately after the Effective Date of this Agreement. The Franchisee alone is responsible for evaluating potential sites subject to the Franchisor's site approval process. The Franchisor will provide Franchisee with its demographic site selection criteria and general construction, design and appearance specifications including trade dress elements, kitchen layout and leasehold improvements for a prototypical Freshslice Pizza restaurant following the parties' execution of this Agreement to assist the Franchisee in evaluating potential retail sites. Different demographic and site selection criteria may be applied by the Franchisor depending on the market the Franchisee proposes to develop its Franchised Business. Franchisor may also in its discretion propose potential locations to the Franchisee, but the Franchisee will still be solely responsible for the selection of the site.

By approving a site for the Franchisee's Franchised Business, the Franchisor does not guaranty or warrant that operation of a Freshslice Pizza restaurant at the site will be successful or profitable or attain a return on the Franchisee's investment that is acceptable to the Franchisee. The Franchisor's approval signifies only that the site meets current site criteria.

The Franchisor has 30 days after receiving all required site information to consent to or reject the proposed site in writing. If the Franchisee proposes more than one site at the same time, the Franchisor only needs to approve one site. If the Franchisor does not consent to any of the sites that the Franchisee proposes within the 30-day period, it signifies that the Franchisor rejects the site (or all sites if the Franchisee has proposed more than one).

6.2 Lease

The Franchisee is responsible for negotiating a lease or purchase agreement for the Premises. In the Franchisor's discretion, the Franchisor may condition site approval on its review and approval of the lease of the Premises before the Franchisee may enter into the lease with the landlord. The lease shall be collaterally assigned to the Franchisor or its designated Affiliate as security for the Franchisee's timely performance of all obligations under this Agreement and the lease, and the Franchisee shall obtain the landlord's consent to such collateral assignment. The Franchisee acknowledges that the Franchisor's approval of a lease or purchase agreement for the Premises does not constitute a recommendation, endorsement or guarantee by the Franchisor of the suitability or profitability of the location or the lease. The Franchisee should take all steps necessary to ascertain whether the lease or purchase agreement is acceptable to the Franchisee. The Franchisor's review and approval of the lease or purchase agreement shall be for the Franchisor's benefit only and the Franchisee should not rely on such review and approval for any purpose whatsoever.

The Franchisee agrees not to terminate or in any way alter or amend such lease, sublease or assignment of sublease during the term of this Agreement, including any renewal thereof, without the Franchisor's prior written approval. Any attempt to terminate, alter or amend such lease, shall be null and void and have no effect as to the Franchisor or Affiliate's interests thereunder and a clause to such effect shall be included in the lease or assignment of lease.

6.3 Use of Premises

The right and license granted to the Franchisee pursuant to Article 2 is solely for use by the Franchisee at the Premises. The Franchisee shall use the Premises only for the operation of the Franchised Business and for no other purpose.

6.4 Option to Terminate

If within a period of twelve (12) months following the execution of this Agreement, a lease or sub-lease of a Freshslice location has not been secured by the Franchisee in accordance with this Article 6, then Franchisor may terminate this Agreement immediately upon notice to the Franchisee. Upon the request of the Franchisee, the Franchisor may grant the Franchisee an additional twelve (12) months to select and secure a location for the Franchised Business, which grant will be solely at the Franchisor's discretion and may be withheld for any reason, and is subject to payment by the Franchisee to the Franchisor of a non-refundable extension fee of \$5,000.00 plus applicable taxes.

6.5 Relocation

If the Franchisee's lease is terminated through no fault of the Franchisee and the Franchisee is not in default of any provision of this Agreement, the Franchisee may relocate the Franchised Business to another location. The Franchisee must obtain the Franchisor's prior written consent to any such relocation, which may be withheld by the Franchisor in its sole discretion, with such discretion not to be exercised unreasonably. The Franchisee will be responsible for all costs incurred by the Franchisor in approving any new location for the Franchised Business. The Franchisee must, at its expense, conform the substitute premises to the Franchisor's then-current specifications and standards relating to premises design, furniture, fixtures and equipment for a Franchised Business. The Franchisee agrees to close the Premises simultaneously with the opening of the substitute premises. The Franchisee agrees, at its sole expense, to remove from and around the Premises, and obliterate any visible indicia that the location was operated as a Freshslice restaurant upon relocation of the Franchised Business to the substitute premises. When properly constructed and then opened according to the Franchisor's standards, the substitute premises will be considered the new Premises under this agreement.

6.6 Lease Use Clause

In the event the Franchisee executes the Lease directly with the landlord of the Premises, including upon assignment of a lease to the Franchisee, the Franchisee agrees to include the following clause into the Lease and abide by the same:

Permitted Use of Space

The only business the tenant is permitted to operate at the Premises shall be a branded Freshslice Pizza retail location.

No other use is allowed under any circumstances. The parties acknowledge that this is a material term of this lease agreement. Should the tenant discontinue operation of the Freshslice operation at the Premises, the tenant will be in immediate default of this agreement, and the parties specifically agree that the tenant will immediately vacate the premises and surrender possession to the landlord. Should the tenant not immediately vacate, the landlord shall consent to an urgent court order requiring the immediate possession of the Premises by the landlord. The tenant specifically acknowledges that it has considered the ramifications of this clause that the only business the tenant is permitted to operate at the Premises shall be a branded Freshslice Pizza retail location, has sought independent legal advice regarding the same, and wishes to proceed.

If the tenant defaults the tenant is fully responsible for the terms of the agreement until the end of the term or upon such time that the landlord acquires another tenant.

Upon default, the landlord will offer the first right of refusal to Freshslice to acquire the lease under the then-current terms.

If the landlord of the Premises refuses to include the foregoing clause in the lease for a premises, the Franchisee agrees not to execute said lease.

ARTICLE 7 DESIGN AND CONSTRUCTION

7.1 Franchisee Responsibility

Franchisee acknowledges that the improvements, layout, fixtures, design, decoration and color scheme of Freshslice Pizza restaurants are an integral part of Franchisor's proprietary System and accordingly, Franchisee shall, at Franchisee's sole cost and expense, construct, convert, improve, design and decorate the Premises in accordance with Franchisor's plans and specifications and with the assistance of contractors, architects and suppliers designated by or otherwise approved by Franchisor.

The Franchisor offers a "turnkey" service to construct and develop the Franchised Business on behalf of the Franchisee, which the Franchisee has the option to select and the terms of which are set forth in Section 7.2.

If the Franchisee elects to develop and construct the Franchised Business, as per Franchisor's specifications, with written approval from the Franchisor, then the Franchisee shall pay to Franchisor a consulting and inspection fee of Fifteen Thousand Dollars (\$15,000.00). This fee is due prior to the commencement of construction at the Premises.

Before construction, remodeling or decorating begins, Franchisee shall submit to Franchisor all plans and specifications. Franchisee shall obtain Franchisor's written consent to any conversion, improvements, design or decoration of the premises before construction, remodeling or decorating begins, recognizing that any related costs are Franchisee's sole responsibility. Written consent shall mean that the Franchisee has received from the Franchisor an executed construction approval form before construction, remodeling or decorating begins.

7.2 Turnkey Construction of Premises by the Franchisor

At the election of the Franchisee, the Franchisor will undertake on behalf of the Franchisee, on an independent consultant basis, the full development, including all or any part of the construction and equipping of the Premises in conformity with the System standard layout plans, specifications, and drawings; and the Franchisee shall pay to the Franchisor a project management fee of Thirty-Five Thousand Dollars (\$35,000.00) for services rendered during the construction at the Premises. This fee is due prior to the commencement of construction at the Premises.

If the Franchisee elects this turnkey option, the Franchisor is authorized and directed to undertake the development of all or any part of the Premises as aforesaid and to do or cause to be done all or any part of such things as may be necessary to complete the Premises for use by the Franchisee. The Franchisee acknowledges that such person or persons may perform all or any part of such work as the Franchisor will nominate including persons affiliated with the Franchisor. All work shall be performed on a basis deemed commercially reasonable by the Franchisor having

regard to the estimate previously furnished to the Franchisee provided, however, the Franchisor shall not be obligated to solicit competitive bids for any work performed or merchandise supplied in connection with such development.

The Franchisee shall be required to deposit with the Franchisor Sixty-five Thousand Dollars (\$65,000.00) towards the cost of the full development of the Premises, and acquisition and opening of the Franchised Business (the "**Turnkey Cost**") upon the Franchisee signing its lease. The balance of the Turnkey Cost shall be paid by the Franchisee to the Franchisor after completion of construction of the Premises, and prior to the Franchised Business opening to the public for business. In arriving at the said Turnkey Cost 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 Premises are situated, as well as grand opening advertising costs. To the extent that the costs and expenses incurred by the Franchisor in respect of such development exceeds the Turnkey Cost or the amount or amounts previously paid by the Franchisee to the Franchisor under this paragraph, the Franchisor shall pay such excess costs. If the actual cost of the development was less than the Turnkey Cost, then the Franchisor shall retain the difference.

The Turnkey Cost, without limiting the generality of the foregoing, may include, but not be limited to, all or any part of the costs of the Franchisee's leasehold improvements, whether performed by the landlord or by the Franchisor's contractor, on behalf of the Franchisee, of equipment and machinery, of signs and logos, of permits and fees, location finding fees, grand opening fees, set up and administration 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 7.2. 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 Franchised Business will be limited to those provided by the manufacturer or supplier of such equipment.

7.3 Fixtures, Equipment and Signs

The Franchisee agrees to use in the operation of the Franchised Business only those brands or types of fixtures, equipment (including without limitation, computer, cash registers and point of sales systems) and signs that the Franchisor has approved, in its sole and unfettered discretion, as meeting its specifications and standards for design, appearance, function, performance and serviceability. The Franchisee may purchase approved brands or types of fixtures, equipment, and signs only from suppliers approved by the Franchisor, in its sole and unfettered discretion, which may include the Franchisor or its Affiliates. The Franchisee further agrees to place or display at the Premises (interior and exterior) only such signs, emblems, lettering, logos and display materials that are from time to time approved in writing by the Franchisor, which approval may be given or withheld at the absolute discretion of the Franchisor.

ARTICLE 8 OPERATION OF FRANCHISED BUSINESS

8.1 Commencement of Operations

Unless otherwise agreed in writing by the Franchisor, the Franchisee shall:

- (a) complete the initial training program described in Section 5.1;
- (b) enter into the lease, sublease or assignment of sublease in accordance with Section 6.2; and

- (c) open the Franchised Business to the public within twelve (12) months after the Effective Date of this Agreement, provided that the Franchisor shall have given its prior written consent to such opening, based upon the Franchisee's satisfaction of the following conditions:
 - (i) have paid in full all amounts then owing to the Franchisor, any Affiliate or other third party;
 - (ii) delivered to the Franchisor copies of the Franchisee's insurance policies required under Article 13; and,
 - (iii) Franchisee has purchased all approved inventory and supplies deemed by the Franchisor to be required for the opening.

8.2 Duties and Obligations

The Franchisee acknowledges that the Franchisor has invested and continues to invest time and capital in the advertising and promotion of Freshslice franchises and other outlets as a chain of restaurants conducting business in a uniform and high-quality manner. The Franchisee understands and acknowledges that such advertising and promotion by the Franchisor has created and is creating goodwill and customer association in the Proprietary Marks, which benefit the Franchisor, the Franchisee and all other Freshslice franchisees. The Franchisee acknowledges that to foster and preserve such goodwill it is necessary for the Franchisee to operate the Franchised Business in a manner and to a standard of quality consistent with the System and the restaurant businesses heretofore operated by the Franchisor and/or its franchisees. Therefore, the Franchisee agrees to operate the Franchised Business strictly in accordance with the System, whether contained in the Manual, or other publications from the Franchisor issued from time to time.

Without limiting the generality of the foregoing, the Franchisee agrees as follows:

- (a) To operate the Franchised Business personally and exclusively with due diligence and efficiency in an up-to-date, quality and reputable manner during such days, nights and hours as may be designated by the landlord for the Premises and/or the Franchisor, acting reasonably, taking into account the hours of operation of other Freshslice restaurants. Specifically, while this Agreement is in effect, the Franchisee will devote his/her fulltime effort of a minimum 40 hours per week and will work only for the Franchised Business identified in this Agreement.
- (b) To ensure that at all times prompt, courteous, and efficient service is accorded to its customers. The Franchisee shall in all dealings with its customers, suppliers and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct.
- (c) To only offer for sale products, including all menu items and approved packaging by the Franchisor, that conform to the Franchisor's uniform standards of type, quality and quantity, and that have been expressly approved in writing by the Franchisor for sale and that have been prepared in strict accordance with the Franchisor's methods and techniques for product preparation. The Franchisee shall sell all approved items pursuant to a menu approved by the Franchisor and the Franchisee shall not offer for sale any other products from the Premises. The Franchisee shall discontinue the sale of any food or drink items or any other merchandise of any kind whatsoever as the Franchisor, in its sole and unfettered

discretion, prohibits in writing. Any purchases made by the Franchisee directly from the Franchisor, its Affiliates or designated suppliers shall be paid for immediately upon delivery or otherwise upon such terms as may be agreed to between the respective parties. The Franchisee shall immediately comply with all directives of the Franchisor regarding suppliers. The Franchisee shall cease all business dealings with any supplier who fails to meet the standards prescribed by the Franchisor, immediately upon written notice from the Franchisor. The Franchisor shall not be responsible or liable for any dealings of the Franchisee with any supplier, including designated suppliers, nor shall the Franchisor be liable for loss or damage due to any delay in the delivery of any products by any such suppliers.

- (d) To maintain the condition and appearance of the Franchised Business and the equipment used therein consistent with the image, as it may be modified from time to time, of the Franchisor's franchised restaurant businesses as an attractive, modern, clean, convenient, and efficiently operated restaurant business offering high quality products and service. The Franchisee agrees to affect such maintenance of, and repairs to the Premises and the equipment installed therein as is reasonably required on a regular and frequent basis and maintain such condition and appearance.
- (e) To not make or cause to be made any alterations to the interior or exterior of the Premises so as to modify the appearance thereof or any alterations or replacements of any of the leasehold improvements, fixtures or equipment at the Premises without first having obtained the written approval of the Franchisor, which approval may be given or withheld in the sole discretion of the Franchisor, and the lessor if required.
- (f) To participate fully in all national, regional and local promotions initiated and required by the Franchisor.
- (g) Upon request by the Franchisor, make available for a reasonable period of time the Designated Manager for training or retraining by the Franchisor, at the Franchisor's head office or other place designated by the Franchisor. Such training or retraining shall be conducted at no cost to the Franchisee, provided however that the Franchisee shall be responsible for all travel, food and lodging costs, or any other form of remuneration.
- (h) To comply with all municipal, state, and federal laws and regulations and shall obtain, and at all times maintain and keep in good standing, any and all permits, certificates and licenses necessary for the proper conduct of the Franchised Business pursuant to the terms of this Agreement.
- (i) To ensure that the Franchisee's primary owner and the Designated Manager, if any, shall devote their full time and attention to the establishment, development, and operation of the Franchised Business.
- (j) To maintain sufficient working capital to enable it to properly and fully carry out and perform all of its obligations and responsibilities hereunder.
- (k) To promptly pay when due all taxes, assessments and charges of any kind levied or assessed by any governmental bodies, whether municipal, state, or federal by reason of or calculated in respect to the Franchisee's operation of the Franchised

Business, whether payable directly or indirectly to such government authority. The Franchisee shall provide to the Franchisor, immediately upon written notice, satisfactory proof (by way of cancelled checks or other such similar form of proof) of payment of all such taxes, assessments and charges that are paid directly to such government authority.

- (l) To have at all times a minimum four (4) HD CCTV cameras operational, with viewing access available to the Franchisor as needed, in the Franchisor's sole judgment.
- (m) Comply with Franchisor's and affiliate companies' existing mission, vision, values and culture as set forth in the Manual, as well as comply with any alteration or adjustment to mission, vision, values and culture at all times.

8.3 Discounts, Rebates, Bonuses

In the event that any volume discounts, rebate fees, or discount bonuses ("**Bonuses**"), whether by way of cash, kind, or credit, are received by the Franchisor from any manufacturer or supplier designated by the Franchisor, whether or not on account of purchases made by the Franchisor for its own account or for the account of the Franchisee, or by the Franchisee directly for its own account, the Franchisor shall be entitled to retain the whole of the amount or any part of such Bonuses.

8.4 System Modifications

The Franchisee acknowledges and agrees that the Franchisor may from time to time hereafter add to, subtract from, modify, or otherwise change the System, including, without limitation, the adoption and use of new or modified trademarks or trade names, new products or services and new techniques in connection therewith, and the Franchisee agrees, at its own cost, to promptly accept, implement, use and display all such alterations, modifications and changes.

8.5 Product Pricing

The Franchisee acknowledges that the System is designed to promote the sale of products at competitive prices and accordingly, the Franchisor may from time to time direct the Franchisee in writing with respect to the prices to be charged by the Franchisee for products sold to the customers of the Franchised Business. Otherwise, Franchisee has complete discretion to price its products as it determines.

8.6 Transfer of Funds

The Franchisee covenants and agrees to co-operate fully and comply with any system implemented by the Franchisor for the transfer of funds directly from the bank account of the Franchisee to the bank account of the Franchisor, including the execution of any pre-authorized payment forms required by the Franchisee's bankers, such as Schedule "E" hereto. Upon a default by the Franchisee under Section 17.2(a) any payments owing or required to be made by the Franchisee to the Franchisor or any other third party will be required to be paid on a daily basis, if so determined by the Franchisor.

8.7 Franchised Business Phone Number

The Franchisee acknowledges that at all times the Franchised Business internet and/or telephone number(s) and listing(s) shall remain the sole property of the Franchisor, provided, however, that

the Franchisee shall be responsible for any and all costs and expenses associated with the Franchised Business internet and/or telephone number(s) and listing(s) including, without limiting the generality of the foregoing, any internet and/or telephone company deposits and all local, long distance, installation, and connection charges.

8.8 Conferences and Meetings

The Franchisee acknowledges that Franchisee's attendance at Freshslice conferences, which includes staying at a hotel location (and/or any other meeting where attendance is designated by the Franchisor as required) is important for the Franchisee to stay up-to-date on competitive challenges and opportunities, new programs and techniques, to learn about best practices as developed by the Franchisor and other Freshslice franchisees, and to establish beneficial relationships with approved suppliers, among other things, and is, therefore, mandatory. The Franchisor may excuse the Franchisee from attendance on a meeting-by-meeting basis in its reasonable discretion. The Franchisee must be in full compliance with the terms of this Agreement in order to attend conferences. The Franchisee's Designated Manager and such number of employees as are agreed by the Franchisor, on behalf of its Franchised Business must also attend all mandatory meetings which are organized by the Franchisor, at the Franchisee's sole expense.

8.9 One Phone Number System

The Franchisor shall be at liberty from time to time to institute a one-phone number system for all Freshslice businesses in areas determined by the Franchisor. In the event that the Franchisor establishes such a one-phone number system within an area encompassing the Franchised Business, the Franchisee shall thereafter publish no other phone number for the Franchised Business than the phone number designated by the Franchisor for such one phone number system. The Franchisee acknowledges that such phone number shall be and remain the sole property of the Franchisor. The Franchisee shall be responsible for all charges levied by the Franchisor for the Franchisee's participation in the one phone number system, including, without limiting the generality of the foregoing, charges for all capital costs, operating costs and overhead incurred in the establishment and operation of the one phone number system. In levying such charges, the Franchisor shall not factor in any amount for profit and shall use its best efforts to allocate all such costs and expenses among the various franchisees using such one phone number system on a fair and equitable basis. If the Franchisor directs any order for products received through such one phone number system to the Franchisee, the Franchisee shall promptly fill such orders in accordance with the terms and conditions of this Agreement.

ARTICLE 9 OPERATING MANUAL AND CONFIDENTIALITY

9.1 Compliance with Manual

The Franchisee shall conduct the Franchised Business strictly in accordance with all of the provisions set out in the Manual as amended from time to time; provided, however, that the Franchisor may in its sole judgement designate certain portions of the Manual as optional or suggested.

9.2 Non-Disclosure

The Franchisee acknowledges that it has had no part in the creation or development of, nor does it have any property or other rights or claims of any kind in or to any element of the System, the Proprietary Marks or any matters dealt with in the Manual and that all disclosures made to the

Franchisee relating to the System and including, without limitation, the specifications, standards, procedures and the entire contents of the Manual are communicated to the Franchisee solely on a confidential basis and as trade secrets, in which the Franchisor has a substantial investment and a legitimate right to protect against unlawful disclosure. Accordingly, the Franchisee agrees to maintain the confidentiality of all such information during the term of this Agreement and for all times thereafter and shall not disclose any of the contents of the Manual or any information whatsoever with respect to the Franchisee's or the Franchisor's business affairs or the System other than as may be required to enable the Franchisee to conduct its business from the Premises. The Franchisee further agrees not to use any such information in any other business or in any manner not specifically approved in writing by the Franchisor. The Franchisee shall have its employees in a management role and agents execute the Franchisor's standard form of Confidentiality Agreement, a current form of which appears in Schedule "C" hereto. This Section 9.2 shall survive any Transfer or assignment of this Agreement, if permitted, and the expiration or termination of this Agreement for any reason whatsoever.

9.3 Manual is Property of the Franchisor

The Franchisee hereby acknowledges that all Manuals are loaned to the Franchisee and shall at all times remain the sole and exclusive property of the Franchisor, and upon any Transfer or assignment of this Agreement, if permitted, or the expiration or termination of this Agreement for any reason whatsoever, the Franchisee shall immediately return to the Franchisor the Manual together with all copies of any portion of the Manual which the Franchisee may have made or in the case of electronic versions attest to its deletion.

ARTICLE 10 ADVERTISING

10.1 Franchisee Responsibility for Advertising; Local Marketing Requirements

The Franchisee shall have the right to conduct such local advertising and promotions in respect of the Franchised Business as the Franchisee shall, in its reasonable discretion desire, provided that:

- (a) the Franchisee shall advertise and promote only in a manner that will reflect favorably on the Franchisor, the Franchisee, the products, and the good name, goodwill and reputation thereof;
- (b) the Franchisee shall submit to the Franchisor for its approval all local advertising and promotions to be utilized by the Franchisee and until such time as the Franchisor shall give its prior written approval to the use of such advertising and promotions, the Franchisee shall not utilize same in any advertising or promotion;
- (c) the Franchisee shall prominently display, at its expense, in and upon the Premises signs of such nature, form, color, number, location and size and containing such matter as the Franchisor may direct or approve in writing from time to time and such signs shall be purchased from the Franchisor or, at the Franchisor's option, from suppliers approved by the Franchisor;
- (d) the Franchisee and its Designated Manager(s) must place Freshslice logos on their vehicles. The Franchisor will provide any such logos, decals, etc. to the Franchisee at no cost. Alternatively, the Franchisor may require the Franchisee and its Designated Manager(s) to have their vehicles "wrapped" as a Freshslice Pizza® vehicle, at the Franchisor's sole cost, provided that the Franchisee or

Designated Manager agrees to maintain the wrapping on such vehicle for at least two (2) years; and

- (e) the Franchisee hereby acknowledges that the Franchisor is the sole and exclusive owner of all copyrights and any and all advertising and promotional material prepared by or on behalf of the Franchisor and shall at all times remain the property of the Franchisor.

For each month that the Franchisee's Gross Sales are less than Fifty Thousand Dollars (\$50,000.00), the Franchisee must, unless waived in writing by the Franchisor, spend an amount equal to one percent (1%) of Gross Sales towards local advertising and promotions for the following month, and each month thereafter until such time as the Franchisee's monthly Gross Sales exceed Fifty Thousand Dollars (\$50,000.00). The Franchisor may increase the Fifty Thousand Dollars (\$50,000.00) minimum figure annually to reflect increases in the relevant consumer price index since the Effective Date of this Agreement.

10.2 Grand Opening Advertising

The Franchisee agrees to conduct a grand opening advertising and promotional program for the Franchised Business beginning ten (10) days before and until one month after the opening of the Franchised Business in accordance with the System standards and as approved in advance by the Franchisor. If the Franchisee has elected to have the Franchisor manage the construction of the Franchised Business at the Premises, the Franchisee will be required to pay Five Thousand Dollars (\$5,000), plus any applicable taxes, to the Franchisor as part of the Turnkey Cost, to be used to cover expenses of the grand opening advertising.

10.3 Advertising by Franchisor

At all times throughout the term of this Agreement the Franchisor may conduct such national, regional, local, and other advertising programs as the Franchisor may deem, in its sole and unfettered discretion, necessary or appropriate on behalf of the System. The Franchisor in its sole and unfettered discretion shall direct all such advertising programs with respect to the creative concepts, materials, endorsements, and media used therein, and the placement and allocation thereof.

10.4 Internet Advertising

The Franchisee acknowledges and agrees that it shall not establish or create any website, social media account, mobile application, or other similar Internet presence (collectively, "Digital Sites") in connection with the Franchised Business, System or Marks without the express prior written consent of the Franchisor, which consent may be given or withheld in the sole judgment of the Franchisor. The Franchisee further acknowledges and agrees that the following are to be conditions precedent to the Franchisor granting the Franchisee permission to establish and maintain any Digital Site:

- (a) upon request by the Franchisor, the Franchisee shall submit to the Franchisor for its approval, which approval may be given or withheld in the sole and unfettered judgment of the Franchisor, all data information, design and layout that the Franchisee wishes to use in its Digital Site, and, until such time as the Franchisor shall give its prior written consent to the use of such, the Franchisee shall not utilize same in any Digital Site;

- (b) the Franchisee shall obtain the Franchisor's prior written approval before any copyright information is placed on the Franchisee's Digital Site;
- (c) the Franchisee acknowledges and agrees that its Digital Site may be monitored by the Franchisor and any and all contents of the Digital Site though earlier approved, may be disapproved and required to be removed from the Digital Site;
- (d) the Franchisee acknowledges and agrees that the Digital Site shall state that the use of any trademarks or copyrights is not an assertion of ownership, but rather used under a license from the owner; and
- (e) the Franchisee acknowledges and agrees that upon termination of this Agreement that the Franchisee shall relinquish any and all rights in the Digital Site, including any domain or account name, and shall within five days of termination of this Agreement, dismantle the Digital Site and any frames and links between the Franchisee's Digital Site and any other Digital Sites.

ARTICLE 11 PROPRIETARY MARKS

11.1 No Permanent Interest

Neither this Agreement nor the operation of the Franchised Business shall in any way give or be deemed to give to the Franchisee any interest in the Proprietary Marks except for the right to use the Proprietary Marks solely at and on the Premises and in accordance with the terms and conditions of this Agreement. The Franchisee shall not use the Proprietary Marks in any manner calculated to represent that it is the owner of the Proprietary Marks. Neither during the term of this Agreement nor at any time after a Transfer, or the expiration or termination hereof, shall the Franchisee, either directly or indirectly, dispute or contest the validity or enforceability of the Proprietary Marks, attempt any registration thereof, or attempt to dilute the value of any goodwill attaching to the Proprietary Marks. Any goodwill associated with the Proprietary Marks shall inure exclusively to the benefit of FHL and the Franchisor.

11.2 Franchisee's Obligations with Respect to Proprietary Marks

The Franchisee covenants and agrees as follows:

- (a) that immediately upon any request by the Franchisor, the Franchisee will execute such applications or agreements or such other instruments in such form and with such parties, as the Franchisor in its discretion shall specify, protecting the interests and rights of the Franchisor in such Proprietary Marks, or complying with any applicable trade name, trademark or other similar legislation;
- (b) that the Franchisee will not use either the Proprietary Marks or any variations thereof as any part of its corporate, firm or business name or for any other purposes, save and except in accordance with the terms and conditions of this Agreement or as may otherwise be specifically authorized by the Franchisor in writing;
- (c) that if the business, partnership, or corporate statutes of any jurisdiction require that the Franchisee make application to use the Proprietary Marks within such jurisdiction, such application of the Franchisee shall specify that the Franchisee's

use of such Proprietary Marks is subject to and limited by the terms and conditions of this Agreement; and,

- (d) immediately upon a Transfer or assignment, if permitted, or the expiration or termination for any reason whatsoever of this Agreement, the Franchisee shall cease all use of the Proprietary Marks for any purposes whatsoever and the Franchisee shall not make known, either directly or indirectly, following such Transfer, expiration or termination, that the Franchisee previously conducted business under the Proprietary Marks.

11.3 Affixing of Business License

The Franchisee must operate, advertise, and promote the Franchised Business only under the Proprietary Marks. In conjunction with any use of the Proprietary Marks, including on all customer contracts, checks and negotiable instruments, invoices, letterhead, email signature blocks and other electronic media, stationery, order forms, and business cards the Franchisee must identify itself to the public as an independent franchisee operating under the authority of this Agreement. The Franchisee also must post a notice of its status as an independently-operating franchisee at a conspicuous location at the Premises.

11.4 Change of Proprietary Marks

The Franchisor reserves the right to modify or require the Franchisee to discontinue use of any of the Proprietary Marks and other System materials, and/or to substitute different service marks, trademarks or copyrighted material for use in identifying the System and the Franchised Businesses operating under the System. When required by the Franchisor, the Franchisee must promptly discontinue use of designated Proprietary Marks and other System materials or implement any modification or substitution at Franchisee's own cost and expense. The Franchisor will have no obligation or liability to the Franchisee as a result of such modification or substitution.

11.5 Infringement of Proprietary Marks

The Franchisee must promptly notify the Franchisor of any unauthorized use or reproduction of the Proprietary Marks or other System materials, any challenge to the validity of the Proprietary Marks or other System materials, the ownership by the Franchisor and its affiliates of the Proprietary Marks or other System materials, the Franchisor's right to use and to license others to use the Proprietary Marks or other System materials, or the Franchisee's right to use the Proprietary Marks or other System materials. The Franchisee acknowledges that the Franchisor and its affiliates have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks or other System materials, including any settlement thereof. The Franchisor and its affiliates have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks or other System materials. The Franchisee must execute any and all documents and do such acts as the Franchisor deems necessary to carry out the defense or prosecution of any litigation involving the Proprietary Marks or other System materials, including, but not limited to, becoming a nominal party to any legal action.

11.6 Registration of Proprietary Marks

The Franchisor makes no representations or warranty to the Franchisee that any of the Proprietary Marks are registered or registerable, that the Franchisor has the right or exclusive right to use any of the Proprietary Marks, or that the Proprietary Marks do not infringe any intellectual property, proprietary or other right of any person.

ARTICLE 12
ACCOUNTING, RECORDS, REPORTS, AUDITS AND INSPECTIONS

12.1 Bookkeeping, Accounting and Records

The Franchisee shall establish and continuously use an inventory, ordering, bookkeeping, accounting and record-keeping system conforming to the requirements prescribed from time to time by the Franchisor, which may include, without limitation, the use and retention of cash register tapes, invoices, cash receipts, inventory records, purchase orders, payroll records, check stubs, bank deposit receipts, sales tax records and returns, cash disbursement journals and general ledgers together with such other equipment, records, and documents as may from time to time be required by the Franchisor, including computerized point-of-sale, inventory, ordering, bookkeeping and accounting systems. When, or in the event that, the Franchisor requires the establishment of, or specifies changes to, the computerized point-of-sale, inventory, ordering, bookkeeping, accounting or record keeping systems for its Franchisees, the Franchisee agrees to purchase or lease all necessary computer hardware and software, and to utilize such systems and pay all fees charged by the Franchisor or others for the use and maintenance of such systems. The Franchisee and all personnel employed by the Franchisee shall record, at the time of sale, in the presence of customers, all receipts from sales or other transactions, whether for cash or credit, on point-of-sale systems, cash registers, or other equipment approved by the Franchisor.

12.2 Reports and Financial Information

The Franchisee shall furnish to the Franchisor such reports as the Franchisor may require from time to time. Without limiting the generality of the foregoing, the Franchisee shall furnish to the Franchisor in the form from time to time prescribed by the Franchisor and together with such detail and breakdown and copies of supporting records as the Franchisor may from time to time require:

- (a) by the Monday of every second week a report of the Gross Sales for the preceding two-week period, verified by the Franchisee and signed by an authorized representative of the Franchisee;

The Franchisee hereby authorizes the Franchisor to make inquiry of the Franchisee's bankers, government authorities, suppliers and other trade creditors as to their dealings with the Franchisee in relation to the Franchised Business, to discuss the affairs, finances and accounts of the Franchised Business (and by its execution hereof the Franchisee authorizes and directs such bankers, government authorities, suppliers and other trade creditors to discuss with the Franchisor the affairs, finances and accounts of the Franchised Business) and to obtain information and copies of invoices relating to sales or other dealings with all such persons and the Franchisee in any way relating to the Franchised Business. If requested, the Franchisee agrees to execute and deliver such forms of directions or authorizations as the Franchisor may require in order to permit bankers, government authorities, suppliers or other trade creditors to release or disclose any such information and documents to the Franchisor.

12.3 Inspection and Audit of Books and Records

The Franchisor shall have the right, during normal business hours and without prior notice to the Franchisee, to inspect or audit, or cause to be inspected or audited the financial books, records, bookkeeping and accounting records, documents or other materials in respect of the Franchised Business, including the right, without limitation, to have a person on the Premises to check, verify and tabulate Gross Sales, to remotely access the Franchisee's POS system and/or to examine and make copies of all accounting and business records and procedures. If any audit discloses

any deficiency in amounts for payments owed to the Franchisor pursuant to this Agreement, then such amounts shall become payable to the Franchisor by the Franchisee within 15 days after the Franchisee's receipt of notice by the Franchisor of such deficiency, together with interest from the date such payments were due. If the Franchisee (1) fails to furnish required reports or supporting records on a timely basis for two or more consecutive reporting periods; (2) fails to have the books and records available for an audit after receiving reasonable, advance notice from the Franchisor; (3) otherwise fails to cooperate with the Franchisor's requested audit, or (4) understates its Gross Sales for the period of any audit by greater than 3%, then the Franchisee shall additionally reimburse the Franchisor, within 30 days after completing the audit, for the cost of the audit or inspection, including, without limitation, the charges of attorneys and any independent accountants and the travel expenses, room and board and compensation of the Franchisor's employees.

12.4 Auditors Report to be Final

Any report of the Franchisor's auditor rendered pursuant to this Article 12 shall be final and binding upon all of the parties hereto provided that in making any such report the Franchisor's auditor shall apply generally accepted accounting principles.

12.5 Right to Inspect Franchised Business and Premises

The Franchisor's representatives shall have the right at all times to enter upon and inspect the Premises, fixtures thereon, furnishings, equipment and products, and take inventory of such products, and otherwise examine the manner in which the Franchisee is conducting its business. The Franchisee and its staff shall co-operate fully in any such inspection.

12.6 Financing by the Franchisee

The Franchisee further covenants to produce to the Franchisor for its prior written approval, which approval may be given or withheld in the sole judgment of the Franchisor, any document intended to be issued or used by the Franchisee for purposes of raising or attracting funds, whether by way of share issuance or issuance of new partnership interests or other securities or interests of any nature whatsoever (or the transfer of existing shares or partnership interests or other securities or interests) and whether such document be in the form of a prospectus, offering memorandum or circular, or any other form of document, and the Franchisee shall not issue such document, nor take any steps to raise such additional funds until such time as the Franchisor's prior written approval has been obtained. It is understood and agreed that the provisions of this Section 12.6 shall apply whether or not the effect of such financing is to change the effective voting or other control of the Franchisee.

ARTICLE 13 INSURANCE

13.1 Types of Insurance

The Franchisee shall, at its sole cost and expense, take out and keep in full force and effect throughout the term of this Agreement and any renewal thereof, such minimum insurance coverage as may be required, whether pursuant to the lease or sublease for the Premises, and as the Franchisor may from time to time require (including, without limitation, product liability insurance, fire and extended coverage insurance on the equipment, leasehold improvements and stock of the Franchised Business, business interruption insurance, rental insurance, worker's compensation insurance, motor vehicle liability insurance and public liability and indemnity insurance), in such minimum amounts as the Franchisor may from time to time require, fully

protecting as an additional insured the Franchisor or any appropriate Affiliate and the Franchisee against loss or damage occurring in connection with the operation of the Franchised Business. All costs in connection with the placing and maintaining of such insurance shall be borne solely by the Franchisee.

13.2 Policies of Insurance

All policies of insurance obtained pursuant to this Article 13 shall:

- (a) be placed only with insurers that meet the Franchisor's minimum standards;
- (b) be in such form and amounts that meet the Franchisor's minimum standards;
- (c) contain a clause that the insurer will not cancel or change or refuse to renew the insurance without first giving to the Franchisor thirty (30) days prior written notice;
- (d) be renewable at times that meet the Franchisor's minimum standards; and,
- (e) name the Franchisor or any appropriate Affiliate as an additional insured.

13.3 Copies

Throughout the term of this Agreement and any renewal thereof copies of all policies or certificates of insurance and any renewals thereof when issued to the Franchisee from time to time shall be delivered promptly to the Franchisor.

13.4 Placement of Insurance by the Franchisor

If the Franchisee fails to take out or keep in force any insurance referred to in Section 13.1 above, or should any such insurance not be as provided in Section 13.2 above, and should the Franchisee not rectify such failure within two (2) days after the lapse or omission of obtaining such insurance, the Franchisor has the right, without assuming any obligation in connection therewith, to effect such insurance at the sole cost of the Franchisee and all outlays by the Franchisor shall be immediately paid by the Franchisee to the Franchisor on the first day of the next month following such payment by the Franchisor without prejudice to any other rights and remedies of the Franchisor under this Agreement.

ARTICLE 14 RESTRICTIVE COVENANTS AND TRADE SECRETS

14.1 Competition during Term of Agreement

The Franchisee, in consideration of the Franchisor entering into this Agreement, jointly and severally covenant(s) and agree(s) that during the term of this Agreement and any renewal term thereof, neither the Franchisee, nor any spouse, child or spouses of children, shall in any capacity whatsoever, directly or indirectly, without the prior written consent of the Franchisor, either individually or in partnership or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, shareholder or in any manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit their names or any part thereof to be used or employed in any business which is the same or similar to or competitive with the business of a typical Freshslice franchise and which features pizza and other Italian food items for take-out, delivery and on-premises consumption.

14.2 Competition after Transfer, Expiration or Termination

For a period of two (2) years after an event of a Transfer or assignment, if permitted, or the expiration or termination of this Agreement for any reason whatsoever, neither the Franchisee, nor any employee of the Franchisee, or any spouse, child or spouses of children of the Franchisee shall not in any capacity whatsoever, directly or indirectly, either individually or in partnership or in conjunction with any person, firm, association, syndicate, company, corporation, partnership, joint venture or other entity, as principal, consultant, agent, shareholder, employee or in any other manner whatsoever, carry on or be engaged in or concerned with or advise, lend money to, guarantee the debts of or obligations of, or permit his or its name or any part thereof to be used:

- (a) at the location of the Franchised Business;
- (b) within five (5) miles of the Franchised Business, or any Freshslice restaurant in operation or under construction as at the Effective Date of this Agreement; or
- (c) within five (5) miles of any Freshslice restaurant opened during the term of this Agreement and as at the termination or expiration date of this Agreement;

in a business that is the same or similar to or competitive with the Franchised Business, including being involved in the sale of pizza for take-out, delivery and on-premises consumption. The Franchisor may at any time, by written notice to the Franchisee, unilaterally reduce any time, territory or scope of restricted activity contained in this Section 14.2.

14.3 Non-Solicitation of Customers

The Franchisee covenants that during the term of this Agreement, and for a period of two (2) years thereafter, except as otherwise approved in writing by the Franchisor, the Franchisee or any affiliate(s) thereof shall, either directly or indirectly, for himself/herself, or through, on behalf of or in conjunction with any person, firm, association, syndicate, company, corporation, partnership, joint venture or other entity divert or attempt to divert any business of, or any customer of, the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to System or to the Franchisor's franchising business or interests (which includes, without limitation, the goodwill associated with the Franchisor's trademarks and tradenames) or to the same or similar businesses licensed to others by the Franchisor.

14.4 Acknowledgement of Franchisee

The Franchisee shall have no other active or passive business interests other than the Franchised Business, and the Franchisee covenants and agrees to deliver to the Franchisor at any time the Franchisor may request, a confidentiality and non-competition agreement in the form provided by the Franchisor from such management employees or other persons affiliated with the Franchisee, as the Franchisor shall in its discretion determine, acknowledging that they have reviewed the provisions of Section 9.2 and this Article 14 and that they agree to abide by and be bound by all such provisions.

14.5 Ownership Agreement

In the event the Franchisee is or becomes a partnership or any type of entity, it shall provide to the Franchisor an Ownership Agreement among all of the partners or owners of the Franchisee. The form and content of the Ownership Agreement must be approved in writing by the Franchisor,

acting reasonably. No amendment to the Ownership Agreement shall be made without the prior written consent of the Franchisor, such consent not to be unreasonably withheld.

14.6 Severability

The parties acknowledge that the covenants set forth in this Article are independent of the other covenants and provisions of this Agreement. If any provision in this Article is void or unenforceable, the parties agree, and the Franchisee authorizes the Franchisor to conform the scope of any void or unenforceable covenant in order to conform it to the law of the province where the Franchised Business is located. The Franchisee shall be bound by any modified covenant conforming to the law of the province where the Franchised Business is located as if originally stated in this Agreement.

ARTICLE 15 SALE, ASSIGNMENT, TRANSFER AND ENCUMBRANCES

15.1 Assignment by the Franchisee

The Franchisee acknowledges that the Franchisor in granting this franchise and the rights and interests under this Agreement has relied upon, among other things, the character, background, qualifications and financial ability of the Franchisee, including its owners. Accordingly, this Agreement, the Franchisee's rights and interests hereunder, the lease or sublease of the Premises, and the property and assets owned and used by the Franchisee in connection with the Franchised Business, shall not be sold, assigned, transferred, shared or encumbered in whole or in part in any manner whatsoever (any or all of which are defined in this agreement as a "**Transfer**"), without the prior written consent of the Franchisor, which shall not be unreasonably withheld, if the Franchisee has fulfilled the conditions below in this Section 15.1(b). Prior to seeking such consent, the Franchisee shall provide the Franchisor with a right of first refusal as set forth in Section 15.2 below. Any actual or purported Transfer occurring by operation of law or otherwise without the Franchisor's prior written consent shall be a material default of this Agreement and shall be null and void.

In considering the request for a Transfer, the Franchisor may consider, among other things, the information set out in the Franchisee's application, the qualifications, good character, requisite general business experience, apparent ability to operate the Franchised Business and credit standing of the proposed transferee, and its partners, owners, or managers, as appropriate. In addition, the Franchisor shall be entitled to require as a condition precedent to the granting of its consent that:

- (a) the Franchisee shall have operated the Franchised Business for at least two (2) years;
- (b) neither the proposed transferee nor any affiliate of the proposed transferee is a competitor of the Franchisor, nor has an ownership interest in or is otherwise closely associated with a competitor of the Franchisor;
- (c) the Franchisor is provided in advance with a copy of all documentation pertinent to the proposed Transfer as relied upon by the parties. If any financial statements are included, the Franchisor shall be entitled but not obligated to question any figures relating to matters in respect of which the Franchisee is required to report to the Franchisor under this Agreement;

- (d) as of the date of the Franchisee's request for consent and as of the effective date of Transfer there shall be no default in the performance or observance of any of the Franchisee's obligations under this Agreement or any other Agreement between the Franchisee and the Franchisor or any Affiliate or supplier thereof, and if the Franchisee intends to transfer its rights of possession of the Premises, that the Franchisee have obtained the consent of all necessary parties to the assignment of the lease or sublease to the proposed transferee;
- (e) the Franchisee shall have settled all outstanding accounts with the Franchisor, its affiliates and all other trade creditors of the Franchised Business up to the date of closing for the proposed Transfer;
- (f) the Franchisee shall have delivered to the Franchisor a complete Release of the Franchisor and its Related Parties, from all obligations under this Agreement of any such persons, in a form satisfactory to the Franchisor, except in respect of those claims and causes of action that cannot be released by law;
- (g) the proposed transferee shall have entered into a new franchise agreement in the form prescribed by the Franchisor, which may provide for different economic and legal terms and conditions than are provided hereunder, including without limitation a royalty on all Gross Sales and greater expenditures for advertising and promotion; and the proposed transferee shall have executed such other documents and agreements as are then customarily used by the Franchisor in the granting of franchises, or at the option of the Franchisor, shall have executed a written assumption of this Agreement, in a form prescribed by the Franchisor;
- (h) the proposed transferee providing indemnification from anyone whom the Franchisor may request, indemnifying the proposed transferee's performance of its obligations under the agreements to be entered into;
- (i) the proposed transferee completing, to the satisfaction of the Franchisor, such training in the operations of the Franchised Business, at the proposed transferee's or the Franchisee's sole expense, as the Franchisor may require;
- (j) the proposed transferee providing, to the satisfaction of the Franchisor, as indicating that the proposed transferee possesses the required level of business experience and acumen necessary in the operation of a Freshslice restaurant business;
- (k) the purchase price to be paid to the Franchisee by the proposed transferee, or if applicable, the proposed encumbrance and debt associated therewith is reasonable in the circumstances having regard to the debt and interest charges being acquired or already in existence; and
- (l) the proposed transferee paying to the Franchisor a transfer fee equal to the initial franchise fee then currently charged by Franchisor for new franchises, plus reasonable estimated fees and expenses which may be incurred by the Franchisor in dealing with the Franchisee's application for approval, plus the Franchisor's then-current Franchise Fee.

The refusal of the Franchisor to consent to the proposed Transfer based upon the non-compliance with any of the foregoing conditions shall be deemed to be a reasonable withholding of such

consent. The Franchisor's consent to a Transfer shall not operate to release the Franchisee from any continuing liability under this Agreement.

The Franchisor's consent to any Transfer shall not constitute a waiver of any claim, demand, action or cause of action which the Franchisor may have against the Franchisee and shall not constitute a release of any third-party indemnity, guarantee, or covenant for performance of this Agreement by the Franchisee. However, if the Franchisor provides its written consent to a Transfer, then the Franchisor's written consent will contain a release of any claims against the Franchisee that relate to the operation of the Franchised Business after the effective date of Transfer, but shall preserve all claims which the Franchisor may have against the Franchisee for matters arising under or collateral to this Agreement up to and including the effective date of the Transfer, or claims regarding any of the following matters which may arise before or after the effective date of the Transfer: use of any of the Proprietary Marks, release or use of any confidential information, solicitation or any employee of the Franchisor, use of the Franchisor's web site or competing with the System in breach of Section 14.2.

If the Franchisor consents to the Transfer, the Franchisee shall provide irrevocable instructions to such legal representative engaged to complete the Transfer, if permitted, to undertake to the Franchisor to pay to the Franchisor, by certified check or banker's draft, from the proceeds of the Transfer all amounts, debts or charges owing, accrued or accruing due to the Franchisor by the Franchisee.

15.2 Right of First Refusal

Without in any way derogating from the Franchisor's right to reject a proposed Transfer pursuant to Section 15.1 above, if at any time or times during the term of this Agreement, including any renewal thereof, the Franchisee makes a bona fide offer to sell, or obtains a bona fide offer to acquire the whole or any part of its interest in the Franchised Business (either being an "**Offer**"), which the Franchisee wishes to accept, the Franchisee shall promptly give written notice thereof to the Franchisor together with a true copy of the Offer. Upon receipt of such notice and Offer, the Franchisor shall have the option of purchasing the property forming the subject matter thereof upon the same terms and conditions as those set out in the Offer except that:

- (a) there shall be deducted from the purchase price the amount of any commissions, fee or transfer fee that would otherwise have been payable to the Franchisor, any broker, agent or other intermediary in connection with the Transfer; and
- (b) the Franchisor shall have the right to substitute cash for any other form of consideration specified in the Offer and to pay in full the entire purchase price at the time of closing.

The Franchisor may exercise its option at any time within thirty (30) days after receipt of the said notice by giving written notice to the Franchisee. If the Franchisor declines to exercise such option and if such Transfer is approved by the Franchisor, the Franchisee shall be at liberty to complete the Transfer to such third-party transferee in accordance with the Offer, provided that, notwithstanding the terms of the Offer, such transaction must be completed within thirty (30) days after the date on which the Franchisor notifies the Franchisee of its approval of such transaction. If the transaction is not completed within thirty (30) days, the foregoing provisions of this Section 15.2 shall apply again in respect of the proposed Transfer and so on from time to time.

In addition to the Offer to be given by the Franchisee to the Franchisor together with the notice described in Section 15.2 above, the Franchisee shall provide the Franchisor with:

- (c) information relating to the business reputation and qualifications to carry on the Franchised Business of the proposed transferee; and
- (d) any credit information the Franchisee may have as to the financial ability and stability of the proposed transferee, including, if the proposed transferee is an individual, his personal net worth statements and if the proposed transferee is a corporation, partnership, or other entity, its latest financial statements.

15.3 Sale of Interest in the Franchisee.

In the event the Franchisee is a partnership or business entity:

- (a) then the respective transfer, sale, assignment, pledge, mortgage or hypothecation of any interest, or any change in the composition of partners or owners, whether by operation of law, pursuant to an order of a Court, shall be deemed to be a Transfer of this Agreement and shall be subject to all of the provisions, terms and conditions precedent specified in this Article 15, which shall apply *mutatis mutandis*;
- (b) the Franchisee will, upon the Franchisor's request from time to time, deliver to the Franchisor a certificate certifying as to the then current partners or owners, if any, of the Franchisee; and,
- (c) the Franchisee will cause the documents of title representing an ownership interest in the case of a partnership or other entity, to have typed or written thereon a legend stating that such documents of title are subject to this Agreement between the Franchisor and the Franchisee, that this Agreement contains restrictions on the sale, assignment, transfer, mortgage, pledge, hypothecation, donation, encumbrance or other dealings with the said documents of title, and that notice of this Agreement is thereby given.

In the event of a sale of a partnership interest of a Franchisee partnership to a third party, the proposed transferee, and regardless of the number of partnership interests purchased by such proposed transferee, shall deliver to the Franchisor an executed Ownership Agreement, in a form and content satisfactory to the Franchisor, acting reasonably, evidencing the addition of the proposed transferee to such Ownership Agreement. Each new partner shall pay proportionate share of then current franchise fee to the Franchisor.

15.4 Assignment by the Franchisor

The Franchisor shall be at liberty to sell, Transfer or assign its interest in the System, the Proprietary Marks (or any parts thereof) and this Agreement, without the consent of the Franchisee. In the event of a sale, Transfer or assignment by the Franchisor of its interest in the System or the Proprietary Marks or any parts thereof, or in the event of any sale, Transfer or assignment by the Franchisor of this Agreement or any interest therein, to the extent that the purchaser or assignee shall assume the covenants and obligations of the Franchisor under this Agreement, the Franchisor shall thereupon and without further agreement, be freed and relieved of all liability with respect to such covenants and obligations.

ARTICLE 16 DEATH OR INCAPACITATION

16.1 Transfer Upon Death or Incapacitation

In the event of the death or permanent disability of the Franchisee or the principal owner of the Franchisee, as the case may be, the Franchisee (or its representative) shall, within ninety (90) days after such event, assign this Agreement to an assignee who is, in the Franchisor's opinion, financially and operationally capable of performing the obligations of the Franchisee hereunder, provided that each of the conditions set out in Section 15.1 are fulfilled to the reasonable satisfaction of the Franchisor. A spouse, child, or other heir of the Franchisee or the principal owner of the Franchisee may apply to be the assignee as set out in Section 15.1.

16.2 Management of Location

During any period of disability (permanent or otherwise) or pending assignment or in the event of death:

- (a) The Franchisor may enter upon the Premises and assume the operation and management of the Franchised Business on behalf of the Franchisee or the Franchisee's estate; and
- (b) The Franchisor may appoint a competent and trained individual to manage the Franchised Business for the account of Franchisee. The individual who manages the Franchised Business pursuant to this Section 16.2 shall be deemed for all purposes to be the agent or employee of the Franchisee. The Franchisor shall not be liable to the Franchisee or to any creditor of the Franchised Business for any debt, obligation, contract, loss or damage incurred, or for any purchase made during any period in which the Franchised Business is so managed. The Franchisee must pay all the costs associated with any such assignment or pending assignment, including but not limited to any salary, benefits and other amounts payable by the Franchisor to the substitute manager during the period in which the substitute manager is acting in the capacity of the manager of the Franchised Business (the "**Substitute Manager Amounts**"). The Franchisee shall indemnify, save and hold the Franchisor harmless from and against any and all damages, claims, losses, expenses and other costs, including but not limited to legal fees, arising as a result of the death or permanent disability of a controlling shareholder of the Franchisee, the assignment of this Agreement pursuant to this Article 16, or the appointment of an individual to manage the Franchised Business on a day-to-day basis pursuant to this Section 16.2.

16.3 Deemed Permanently Disabled

For the purposes of this the Franchisee or any controlling partner(s) or owner(s), as the case may be, shall be deemed to have a "permanent disability" if the usual participation of the Franchisee or any controlling partner(s) or owner(s) in the Franchised Business is for any reason curtailed for a cumulative period of thirty (30) days in any twelve (12) month period during the term of this Agreement, including renewals.

ARTICLE 17
DEFAULT AND TERMINATION

17.1 Default of Systems Standards

- (a) If the Franchisee fails or refuses to adhere to any obligation or mandatory operating procedure, specification or standard prescribed by the Franchisor in this Agreement, in the Manual, or otherwise communicated to the Franchisee, the Franchisor may issue a notice of default to the Franchisee that specifies the grounds of default and the deadline for curing the default, which need not be more than 30 days from the date of notice.
- (b) Until such time as the Franchisor, in its reasonable discretion, deems the default cured (whether through re-inspection of the Franchised Business or otherwise), the Franchisee shall pay the Franchisor a quality assurance fee equal to twelve percent (12%) of the price of all goods and services for the Franchised Business that the Franchisee purchases from or through Franchisor, its Affiliates, or designated vendors. The parties agree that the Franchisor's damages from such defaults are difficult to calculate with reasonable certainty, and that this quality assurance fee shall constitute liquidated damages and shall not be construed as a penalty. The Franchisee agrees that the damages to be imposed by the Franchisor hereunder will be a reasonable estimation of the damages resulting from the breach and shall not be deemed to be a waiver of the right of the Franchisor to terminate the Agreement as a result of these defaults as provided in this Article 17.
- (c) If a default cannot reasonably be cured within the cure period specified by the Franchisor, Franchisee may apply to Franchisor for additional time to complete the cure. The length of the additional cure period, if any, allowed by Franchisor shall be stated in writing signed by Franchisor. The additional cure period, if any, shall, in Franchisor's estimation, be sufficient in duration to enable a reasonable person acting diligently to complete the cure within the extended period.
- (d) If Franchisee fails to cure the default cited in the notice by the end of the stated cure period (or any extension thereof granted by Franchisor in writing), Franchisor may indicate its decision to terminate by written notice given to Franchisee any time before, or after, the end of the 30-day cure period including in the original notice of default.

17.2 Right of Termination After Notice of Default

Prior to expiration of the Initial Term or any renewal term and notwithstanding anything otherwise contained in this Agreement, the Franchisor shall have the right to terminate this Agreement and the right and license granted hereby to the Franchisee on account of one or more of the following defaults by the Franchisee:

- (a) failure to pay any sum when due to the Franchisor, any Affiliate or nominee of the Franchisor, the Franchisee's landlord, any governmental authority, the lessor of any equipment, supplier of any item of supplies or other inventory, equipment or products to the Franchised Business, or any other third party providing any goods or services to the Franchised Business, and the Franchisee fails to cure such non-payment within five (5) days after written notice of such default has been delivered to the Franchisee; or

- (b) failure to comply with any other obligation of the Franchisee contained in this Agreement or any other agreement between the Franchisee and the Franchisor or any Affiliate or nominee of the Franchisor, and the Franchisee fails to cure such default within thirty (30) days after written notice of the default has been delivered to the Franchisee; provided, however, that if the nature of such default is such that it cannot be cured within a thirty (30) day period, and the Franchisee takes reasonable action to cure such default immediately upon receiving such notice and diligently continues to do so, then the Franchisee shall have such additional period of time as is reasonably necessary to cure such default.

17.3 Sale Pending Termination

If the Franchisor has delivered a notice for one or more defaults under Sections 17.1 or 17.2 only, prior to a termination of this Agreement becoming effective for such default(s) the following shall apply:

- (a) The Franchisee shall have ninety (90) days from the date of notice of default (the “**Sales Period**”) to sell its Franchised Business in accordance with Section 15.1.
- (b) Upon expiration of the Sales Period the Franchisor shall have the option to purchase the Franchised Business, or a portion of the assets thereof, under the terms of Section 17.12, at the purchase price determined under Section 17.13. The Franchisor’s option hereunder will be exercisable by providing the Franchisee with written notice of its intention to exercise the option no later than 30 days after the expiration of the Sales Period.
- (c) This Section 17.3 shall not apply if the notice of default includes a default under Section 17.4, Section 17.5, or Section 17.6.

17.4 Termination for Multiple Defaults

If the Franchisee has received a notice of default pursuant to Section 17.1 or 17.2 on three (3) or more occasions (whether or not cured) during any consecutive twelve (12) month period during the Initial Term or renewal term, then the Franchisor may terminate this Agreement immediately upon written notice to the Franchisee made expressly pursuant to this Section 17.4 and the Franchisee shall have no opportunity to cure the current default.

17.5 Right of Termination Without Prior Notice of Default

Prior to expiration of the Initial Term or any renewal term and notwithstanding anything otherwise contained in this Agreement, the Franchisor shall have the right to terminate this Agreement and the right and license granted hereby to the Franchisee without prior notice to the Franchisee upon the occurrence of any of the following default events which are deemed non-curable:

- (a) the Franchisee fails to timely open the Franchised Business as provided in Section 8.1;
- (b) the Franchisee does anything or omits to do anything which causes the Franchised Business to be closed for business or otherwise not operating in full compliance with this Agreement for three (3) consecutive business days or any five (5) business days in any thirty (30) consecutive day period, without the prior written consent of the Franchisor;

- (c) the Franchisee fails to assign this Agreement within the timeframe set out in Section 16.1 and in accordance with the other terms and conditions set out in Section 16.1 upon the death or permanent disability of the Franchisee or the controlling owner of the Franchisee;
- (d) the Franchisee becomes or threatens to become insolvent (as revealed by its books and records or otherwise) in that it is unable generally to meet all of its obligations as they become due, or one of the following events occurs:
 - (i) the Franchisee files, or has filed against it, a petition (or similar pleading) in bankruptcy under federal bankruptcy laws or any similar legislation;
 - (ii) a receiver, receiver-manager, trustee in bankruptcy or similar officer is temporarily or permanently appointed to take charge of the Franchisee's affairs or any of the Franchisee's property;
 - (iii) dissolution proceedings are commenced by or against the Franchisee or it otherwise ceases its corporate existence (whether voluntarily or involuntarily);
 - (iv) the Franchisee goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction;
 - (v) the Franchisee makes a general assignment for the benefit of creditors or otherwise acknowledges insolvency;
 - (vi) the Franchisee sells or purports to sell or transfer or otherwise loses possession or ownership or control of all or a substantial part of the assets used in the Franchised Business;
 - (vii) any items of personal property used in the Franchised Business become attached, executed against, distrained, levied upon or become subject to sequestration or extent, without the Franchisee obtaining the release of such attachment, execution, distress, levy, sequestration or extent within five (5) days;
 - (viii) the Franchisee allows any judgment to be entered against the Franchisee or any of its affiliates of which the Franchisee has notice (actual or constructive) arising out of or relating to operation of the Franchised Business without satisfying such judgment or securing it by payment into court within ten (10) days;
 - (ix) the Franchisee is enjoined from operating the Franchised Business and such injunction is not dismissed, stayed or set aside within ten (10) days;
 - (x) a secured creditor of the Franchisee sends to the Franchisee any notice of intention to enforce security, or realizes a foreclosure upon any of the Franchisee's real or personal property pledged as collateral in favor of such secured creditor;
- (e) the Franchisee or any of its shareholders, directors, officers, or affiliates carries out, allows, or participates in a Transfer or attempted Transfer without obtaining the prior written consent of the Franchisor as required by this Agreement;

- (f) the Franchisee or its controlling partner or owner dies or otherwise becomes permanently disabled and a Transfer of the Franchised Business is not completed within the time provided in Article 16;
- (g) the Franchisee or any of its directors, officers, employees, agents or other representatives (i) attempts to assign, transfer or convey any part of its interest in the System, including any of the Proprietary Marks, know-how, copyright-protected material or other copyrights, trade secrets, systems, methods of operation or format, or (ii) discloses, copies or uses or permits the use of any of the foregoing, or (iii) uses or permits the use of any of the foregoing in a manner or at a location not authorized in advance in writing by the Franchisor, or (iv) otherwise breaches either of the non-disclosure or non-competition covenants under Articles 9 and 14;
- (h) thirty (30) days after the Franchisee's receipt of notice from the Franchisor, the Franchisee continually fails to offer for sale any approved product, or offering to sell any product from the Franchised Location that has not been designated or approved in writing by the Franchisor;
- (i) the Franchisee intentionally falsifies, misrepresents, or misstates to the Franchisor any information contained in a financial statement, report, or other document which the Franchisee provides to the Franchisor whether prior to or after the execution of this Agreement;
- (j) the Franchisee engages in misleading advertising or operating the Franchised Business in a dishonest, illegal, or unethical manner, or has its business license for the Franchised Business suspended or revoked;
- (k) the Franchisee fails to rectify diligently any order issued by a governmental or regulatory authority concerning breach of any health, safety or other regulation or legal requirement applicable to the Franchised Business within the time frame required by the government authority;
- (l) the Franchisee (or its principal owner or Designated Manager) fails to complete the initial training to the satisfaction of the Franchisor (unless such requirement is waived in writing by the Franchisor), as provided under Section 5.1;
- (m) a personal or corporate Franchisee, or any director or officer of a corporate Franchisee, is charged or convicted of an offense, or commits an act, which in the reasonable opinion of the Franchisor could bring the System, any of the Proprietary Marks or any other part of the goodwill established thereby into disrepute; and
- (n) the Franchisee repudiates this Agreement or fails to observe or perform any material term, condition, covenant, provision, or obligation contained in this Agreement which, due to the nature or consequences of such failure, renders it incapable of rectification by the Franchisee.

17.6 Cross Default

Prior to expiration of the Initial Term or any renewal term and notwithstanding anything otherwise contained in this Agreement, it shall be a material default by the Franchisee under this Agreement if the Franchisee or any the Franchisee Affiliate (as defined below) or its Guarantor (a) commits an event of default (or has committed an uncured event of default), or fails to fulfill any obligation, under any Related Agreement (as defined below), or (b) otherwise fails to pay any amount owing

to the Franchisor or any of its Related Parties when due, or if no defined due date, on demand (collectively, a **“Cross Default”**). Upon the occurrence of a Cross Default, the Franchisor shall have the right to terminate this Agreement upon notice to the Franchisee if (y) there is no applicable cure period under the Related Agreement for the event of default or other failure, or (z) the Franchisee, the Guarantor, or the Franchisee Affiliate, as applicable, (1) fails to cure the event of default or other failure within the cure period applicable under the Related Agreement, or (2) fails to pay the amount owing to the Franchisor or any of its Related Parties within 5 days of demand. A default under this Agreement (including under this Section 17.6) shall also constitute a default under any Related Agreement, with the like remedies (including termination) available to the Franchisor and its Related Parties. For purposes of this Section 17.6, **“Franchisee’s Affiliate”** means any individual, group, association, limited or general partnership, corporation or other business entity that (i) directly or indirectly controls, is controlled by, or is under common control with the Franchisee; (ii) directly or indirectly owns, controls, or holds power to vote ten percent (10%) or more of the outstanding voting securities of the Franchisee; or (iii) has in common with the Franchisee one or more partners, officers, directors, trustees, managers, or other persons occupying similar status or performing similar functions. For purposes of this Section 17.6, **“Related Agreement”** means any franchise agreement (other than this Agreement), development agreement, guarantee, lease or sublease, asset purchase agreement, promissory note, or any other agreement of any type entered into between the Franchisee, a Franchisee Affiliate, or a Guarantor, on the one hand, and the Franchisor or one or more of the Franchisor’s Related Parties, on the other hand.

17.7 Franchisor’s Operation of Franchised Business

In addition to the Franchisor’s right to terminate this Agreement, the Franchisee authorizes the Franchisor, and at the option of the Franchisor, to enter upon any premises at which the Franchised Business is conducted and operate and manage the Franchised Business and exercise complete authority with respect to the operation thereof until such time as the Franchisor determines that the default of the Franchisee has been cured and that there is compliance with the requirements of the Franchise Agreement on the occurrence of any of the following events:

- (a) upon the happening of some event which affects the Franchisee, its principal owner, or any one or more of the owners or employees of the Franchisee, and which interferes with the normal operation of the Franchised Business;
- (b) upon the occurrence of a default by the Franchisee as set out in this Article 17; or
- (c) in the event the Franchisor reasonably believes an event described in Section 17.7(a) or 17.7(b) might occur.

The Franchisor’s right to operate the Franchised Business under this Section 17.7 shall be for so long as the Franchisor considers necessary and practical, and shall be without prejudice to, and without waiver of, any other rights or remedies the Franchisor may have under this Agreement. In the event that the Franchisor operates 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 Franchisor will be kept separate from 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 Franchisor from any loss or deficit suffered by the Franchisor as a result of the 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.

17.8 Other Remedies for Default

In the event of a default by the Franchisee as set out in this Article 17, and in addition to the other remedies provided in this Agreement or authorized by applicable law, and without waiving any claim for default hereunder, the Franchisor may:

- (a) if the Franchised Business is closed for more than 24 hours without prior written approval of the Franchisor, charge the Franchisee a fee of up to \$2,500 per day until the location is operational again;
- (b) without prior notice to the Franchisee, take whatever steps the Franchisor deems necessary to cure any default by the Franchisee hereunder for the account of and on behalf of the Franchisee, and the Franchisee hereby irrevocably appoints the Franchisor as its attorney to do so, and the related expenses incurred by the Franchisor shall be due and payable promptly by the Franchisee upon demand and shall be deemed to be an amount owing to the Franchisor hereunder;
- (c) without prior notice to the Franchisee, enter upon any premises upon which the Franchised Business is conducted without being liable to the Franchisee in any way for such entry, for the purposes of securing the return of any of the Franchisor's property, performing or compelling performance of the Franchisee's obligations to the Franchisor and protecting the Franchisor's rights upon expiration or termination of this Agreement;
- (d) (i) reduce the Territory; (ii) remove the exclusivity provided in the Territory (allowing the Franchisor to grant or operate other Franchised Businesses in the Territory); (iii) withhold, postpone, or forgo any services or products, licenses, rights, payments, orders, access to strategic, regional, or national accounts, any electronic systems or other materials (including without limitation any system used to communicate orders to the Franchisee), or any other obligations imposed on the Franchisor by this Agreement until the Franchisee cures its violation or otherwise remedies the default to the Franchisor's satisfaction; or (iv) any combination of (i), (ii), and (iii);
- (e) obtain an injunction and/or the appointment of a receiver which term includes a receiver and manager of the Franchised Business to terminate or prevent the continuation of any existing default, or to prevent the occurrence of any threatened default by the Franchisee of this Agreement;
- (f) require attendance of the Franchisee and, or alternatively, one or more of its employees at such training programs as the Franchisor in its sole discretion deems necessary or appropriate, and the Franchisee shall pay the Franchisor's then-applicable fee for such training as well as all costs related to attendance at such training; and
- (g) send a dedicated field advisor or trainer to the Franchised Location to perform such training with such employees as the Franchisor determines is necessary for such time as specified by the Franchisor, and the Franchisee shall pay all costs related to the attendance of such field advisor or trainer, including travel-related costs and applicable training fees as specified by the Franchisor.

17.9 Remedies Cumulative

The rights and remedies of the Franchisor contained in this Article 17 and elsewhere in this Agreement or in a document referred to in this Agreement are cumulative and no exercise or enforcement of any right or remedy by the Franchisor shall preclude its exercise or enforcement of any other right or remedy to which the Franchisor is entitled by law, in equity or otherwise.

17.10 Franchisee's Obligations Upon Expiration or Termination

- (a) Within fifteen (15) days after expiration or termination of this Agreement (or on such later date as such debts are due), the Franchisee shall pay all outstanding amounts owing by Franchisee (whether to Franchisor or any of its Affiliates) together with accrued interest charges thereon as provided herein.
- (b) Upon expiration or termination of this Agreement, the Franchisee shall immediately discontinue use or display of the Proprietary Marks, the System, the Manual, copyright-protected materials and other materials provided by the Franchisor such as advertising materials and training materials, trade secrets, systems, methods of operation, formats, customer information and data and goodwill of the System. If the Franchisee retains possession of the Premises, the Franchisee shall also promptly, and at Franchisee's expense, change the color scheme of the Franchised Location and any vehicles to one that differentiates it from the color scheme of the System and shall remove all signage related to the System from the Franchised Location and any vehicles. The Franchisee shall not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that the Franchisee is directly or indirectly associated, affiliated, licensed by or related to the Franchisor or the System, and the Franchisee shall not, directly or indirectly, use any Proprietary Mark, or any other name, logo, signage, symbol, insignia, slogan, advertising, copyright materials, design, trade secret, process, system, method of operation or format confusingly similar to or colorably imitative of those used by the System. The Franchisee acknowledges the proprietary rights of the Franchisor as set out in this Agreement and agrees to return to the Franchisor the Manual, all advertising and training materials and all other confidential information relating to the System, as well as all other property of the Franchisor, immediately upon expiration or earlier termination of this Agreement. Additionally, the Franchisee shall, upon termination or expiration of this Agreement, promptly remove any signage from the Franchised Location and any other premises from which the Franchised Business is conducted which uses the Proprietary Marks or otherwise and refers, directly or implicitly, to the System. Notwithstanding the foregoing, if the Franchisor is purchasing assets of the Franchised Business as provided in Section 17.12, the Franchisee shall comply with the Franchisor's reasonable modifications to the foregoing de-identification obligations with respect to the Premises.
- (c) Upon expiration or termination of this Agreement, the Franchisee shall promptly execute such documents (including Schedule "D" hereto) or take such actions as may be necessary to abandon the Franchisee's use of any fictitious business name containing any of the Proprietary Marks adopted by the Franchisee and to remove, at the Franchisor's request, the Franchisee's listing as a Freshslice restaurant business from any internet or telephone directories and all other trade or business directories and to assign to the Franchisor or any other party designated by the Franchisor all of the Franchisee's telephone numbers and listings in connection with the Franchised Business.

- (d) Following expiration or earlier termination of this Agreement, the Franchisor may execute in the Franchisee's name and on the Franchisee's behalf all documents necessary or advisable in the Franchisor's judgment to terminate the Franchisee's use of the Proprietary Marks and the Franchisor is hereby irrevocably appointed as the Franchisee's attorney to do so.

17.11 Rights of the Franchisor

Upon the expiration or termination of this Agreement and, except in the event of a purchase pursuant to the provisions of Article 16 of this Agreement, the Franchisor shall have the right, but not the obligation, to:

- (a) issue binding instruction to any Affiliate of the Franchisor or any supplier from whom the Franchisee purchases all of its products and supplies to suspend further sale or delivery to the Franchisee;
- (b) take all steps required, including forcible entry into the Premises, to retake immediate physical possession of the Premises and control of the Franchised Business and, thereafter, continue to operate or cease operation of it as the Franchisor, in its absolute discretion shall determine;
- (c) elect to purchase from the Franchisee all or any portion of the assets of the Franchisee located on, in, or at the Premises or otherwise used in connection with the Franchised Business, as provided in Section 17.12.

17.12 Franchisor Option to Purchase

In the event of expiration or prior termination of this Agreement, the Franchisor shall have the option, exercisable by written notice to the Franchisee within thirty (30) days after such expiration or termination, to purchase from the Franchisee free and clear of any lien, charge, encumbrance or security interest, all or any portion of the assets of the Franchised Business, which may include, at the Franchisor's sole option, the Franchisee's equipment, leasehold improvements, signage and other assets utilized at the Premises for the Franchised Business, and all of the Franchisee's interest, leasehold or otherwise, in and to the real estate upon which the Freshslice Restaurant is located, and all buildings and other improvements related thereto. The price of the assets which the Franchisor elects to acquire shall be the value determine under Section 17.13 as of the date when notice is given, net of any costs associated with the purchase and valuation process. Payment of the purchase price shall be net of all amounts owing to the Franchisor and to parties holding security interests in such assets and the net amount shall be paid in two instalments of 50% each, the first on the date of transfer of such assets to the Franchisor and the second six (6) months after the transfer date, subject to payment of any valid claims against the Franchisee which were not adjusted on the transfer date. The asset purchase agreement shall contain customary representations, warranties, and conditions for such transactions, including (should the Franchisor purchase substantially all of the assets of the Franchised Business) customary non-competition covenants of the Franchisee and its principals related to the sale of a business.

The closing for the purchase of the Franchised Business will take place no later than sixty (60) days after the date of the Franchisor's written notice of election. The Franchisor shall have the unrestricted right to assign this option to purchase at any time prior to such closing.

17.13 Valuation

In this Agreement the value (the “**Value**”) of the Franchised Business (or any specific assets) will be calculated as at the time immediately before the occurrence of the event that gave rise to the requirement to make the calculation, and will be determined by the Franchisor’s designated accountant (the “**Accountant**”) as follows:

- (a) For a valuation of the entire Franchised Business, the Accountant will calculate the net profit of the Franchised Business for the previous twelve (12) operating months (or an annualized amount if twelve (12) months of operations are not then completed). Such net profit will be multiplied 2.5 times. This amount shall be adjusted by the following to arrive at the final Value:
 - (i) Plus the book value of saleable inventory;
 - (ii) Plus the book value of rent deposits & prepaid expenses;
 - (iii) Minus a portion of the initial franchise fee paid by the Franchisee, proportionate to the amount of the Term that has passed as of the valuation date;
 - (iv) Minus the estimated costs associated with any upgrades to the Franchised Business required to bring it up to current standards;
 - (v) Minus all of the Franchisor’s expenses, taxes, and all applicable Franchised Business liabilities assumed as of the closing;
 - (vi) Minus the cost of the Accountant’s valuation services.
- (b) If the Franchisor elects to purchase less than the entire Franchised Business:
 - (i) the Franchisee must sell any equipment to the Franchisor at the price scheduled, based on the years in service for each piece of equipment:
 - Year 1 to 2 = 33% of net paid price
 - Year 3 to 5 = 23% of net paid price
 - Year 6 to 8 = 13% of net paid price
 - Year 9 to 10 = 3% of net paid price
 - Year 11 and higher = 1% of net paid price

Equipment must be returned or shipped to the same warehouse that it was purchased from at the Franchisee’s cost. Proprietary items are: proofer, warmer, pizza table, all pans, all pan racks, all pan lids & pizza cutting board.
 - (ii) For all saleable products, the Franchisor shall pay an amount equal to the cost (less freight or other shipping charges) thereof to the Franchisee.
 - (iii) For all other assets selected for purchase by the Franchisor, the Franchisor shall pay an amount equal to the fair value as determined by the Accountant.

The preparation of the final valuation report will be conducted as an expert determination, solely on the basis of the Accountant's own experience, and will not be an arbitration. The amount of the Value determined by the Accountant will be final and binding and there will be no appeal or review of that determination on any grounds.

ARTICLE 18 SECURITY TO THE FRANCHISOR

18.1 Security to the Franchisor

To secure the Franchisee's performance under this Agreement, the Franchisee hereby grants to the Franchisor a security interest in and to all of the Franchisee's tangible and intangible property used to operate the Franchised Business. The Franchisor shall have the right to record appropriate financing statements to protect and perfect the Franchisor's rights as a secured party under applicable law. Except with the Franchisor's prior written consent, which the Franchisor shall not unreasonably withhold, it shall be a breach of this Agreement for the Franchisee to grant another person a security interest in the Franchisee's tangible or intangible assets of the Franchised Business even if subordinate to the Franchisor's security interest. The Franchisor agrees to subordinate the Franchisor's own security interest if requested by a lender providing financing to the Franchisee on commercially reasonable terms in connection with the purchase of the franchise.

ARTICLE 19 ACKNOWLEDGEMENTS

19.1 Independent Investigation

The Franchisee acknowledges that it has conducted an independent investigation of the Franchised Business and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of the directing authorities for the Franchisee as an independent business. The Franchisor expressly disclaims the making of and the Franchisee acknowledges that it has not received any warranty or guarantee, expressed or implied, as to the potential volume, profits or success of the Franchised Business.

The Franchisee acknowledges that its representatives have received and had ample time to read, and have read, this Agreement and fully understand its provisions. The Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal counsel and accounting professionals of its own choosing regarding all pertinent aspects of this franchise, the purchase of the Franchised Business and the franchise relationship.

ARTICLE 20 DISPUTE RESOLUTION

20.1 Agreement to Mediate Disputes

- (a) Except as otherwise provided in this Article, neither party to this Agreement shall bring an action or proceeding to enforce or interpret any provision of this Agreement, or seeking any legal remedy based upon the relationship created by this Agreement or an alleged breach of this Agreement, until the dispute has been submitted to mediation conducted in accordance with the procedures stated in this Agreement.

- (b) The mediation shall be conducted pursuant to the rules of the American Arbitration Association (the “**Mediation Service**”). Either party may initiate the mediation (the “**Initiating Party**”) by notifying the Mediation Service in writing, with a copy to the other party (the “**Responding Party**”). The notice shall describe with specificity the nature of the dispute and the Initiating Party’s claim for relief. Thereupon, both parties will be obligated to engage in the mediation, which shall be conducted in accordance with the Mediation Service’s then-current rules, except to the extent the rules conflict with this Agreement, in which case this Agreement shall control.
- (c) The mediator must be either a practicing attorney with experience in business format franchising or a retired judge, with no past or present affiliation or conflict with any party to the mediation. The parties agree that mediator and Mediation Service’s employees shall be disqualified as a witness, expert, consultant or attorney in any pending or subsequent proceeding relating to the dispute which is the subject of the mediation.
- (d) The fees and expenses of the Mediation Service, including, without limitation, the mediator’s fee and expenses, shall be shared equally by the parties. Each party shall bear its own attorney’s fees and other costs incurred in connection with the mediation irrespective of the outcome of the mediation or the mediator’s evaluation of each party’s case.
- (e) The mediation conference shall commence within 30 days after selection of the mediator. Regardless of whether Franchisor or Franchisee is the Initiating Party, the mediation shall be conducted at Franchisor’s headquarters at the time, unless the parties are otherwise required by applicable law.
- (f) The parties shall participate in good faith in the entire mediation, including the mediation conference, with the intention of resolving the dispute, if at all possible. The parties shall each send at least one representative to the mediation conference who has authority to enter into a binding contract on that party’s behalf and on behalf of all principals of that party who are required by the terms of the parties’ settlement to be personally bound by it. The parties recognize and agree, however, that the mediator’s recommendations and decision shall not be binding on the parties.
- (g) The mediation conference shall continue until conclusion, which is deemed to occur when: (i) a written settlement is reached, (ii) the mediator concludes, after a minimum of 8 hours of mediation, and informs the parties in writing, that further efforts would not be useful, or (iii) the parties agree in writing that an impasse has been reached. Neither party may withdraw before the conclusion of the mediation conference.
- (h) The mediation proceeding will be treated as a compromise settlement negotiation. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation proceeding by any party or their agents, experts, counsel, employees or representatives, and by the mediator and Mediation Service’s employees, are confidential. Such offers, promises, conduct and statements may not be disclosed to any third party and are privileged and inadmissible for any purpose, including impeachment, under applicable federal and state laws or rules of evidence; provided however, that evidence otherwise discoverable or admissible shall not be rendered not discoverable or inadmissible as a result of its use in the mediation. If a party informs the mediator that information is conveyed

in confidence by the party to the mediator, the mediator will not disclose the information.

- (i) If one party breaches this Agreement by refusing to participate in the mediation or not complying with the requirements for conducting the mediation, the non-breaching party may immediately file suit and take such other action to enforce its rights as permitted by law and the breaching party shall be obligated to pay: (i) the mediator's fees and costs; (ii) the non-breaching party's reasonable attorneys' fees and costs incurred in connection with the mediation, and (iii) to the extent permitted by law, the non-breaching party's reasonable attorneys' fees and costs incurred in any suit arising out of the same dispute, regardless of whether the non-breaching party is the prevailing party. Additionally, in connection with (iii), the breaching party shall forfeit any right to recover its attorneys' fees and costs should it prevail in the suit. The parties agree that the foregoing conditions are necessary in order to encourage meaningful mediation as a means for efficiently resolving any disputes that may arise.
- (j) The obligation to mediate shall not apply to any disputes, controversies or claims (i) where the monetary relief sought is under \$10,000, (ii) in which Franchisor seeks to enforce its rights under any collateral assignment of lease, or (iii) any claim by either party seeking interim relief, including, without limitation, requests for temporary restraining orders, preliminary injunctions, writs of attachment, appointment of a receiver, for claim and delivery, or any other orders which a court may issue when deemed necessary in its discretion to preserve the status quo or prevent irreparable injury, including the claim of either party for injunctive relief to preserve the status quo pending the completion of a mediation proceeding. The party awarded interim or injunctive relief shall not be required to post bond.
- (k) Additionally, notwithstanding a party's duty to mediate disputes under this Agreement, a party may file an application before any court of competent jurisdiction seeking injunctive relief or other forms of provisional remedies whether or not the mediation has already commenced. An application for such remedies shall neither waive nor excuse a party's duty to mediate under this Agreement. However, once a party files an application for injunctive relief or other forms of provisional remedies, the time period for mediation set forth in this Agreement shall be tolled pending the court's ruling. The party that is awarded injunctive relief or other forms of provisional remedies shall not be required to post bond or comparable security.

20.2 Arbitration

If after mediating in good faith the parties fail to resolve any controversy, dispute or claim between Franchisee and Franchisor and its Affiliates, on demand of either party, the controversy, dispute, or claim shall be submitted for arbitration to the American Arbitration Association (the "**Arbitration Service**"). Such arbitration proceedings shall be conducted in Seattle, Washington, and shall be heard by one arbitrator in accordance with the then current Commercial Arbitration Rules of the Arbitration Service.

20.3 Scope of Arbitration

The arbitrator shall have the right to award or include in the award any relief which he deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, and attorneys' fees and costs, provided that

the arbitrator shall not have the authority under Rule 43 of the Commercial Arbitration Rules of the Arbitration Service to award exemplary or punitive damages. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award. Franchisor and Franchisee agree to be bound by the provisions of any applicable limitation on the period of time by which claims must be brought under Applicable Law or this Agreement, whichever is less. The parties further agree that, in connection with any such arbitration proceeding, each shall file any compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within 30 days after the date of the filing of the claim to which it relates. This provision shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Franchisor and Franchisee agree that arbitration shall be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between Franchisor and Franchisee shall not be consolidated with any other arbitration proceeding involving Franchisor and any other person, corporation or partnership.

20.4 Governing Law/Consent to Venue and Jurisdiction

All disputes to be arbitrated by Franchisor and Franchisee shall be governed by the FAA and no procedural arbitration issues are to be resolved pursuant to any state statutes, regulations or common law. Except to the extent governed by the FAA and the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be interpreted under the laws of the state of Washington and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Washington, which laws shall prevail in the event of any conflict of law; provided, however, that nothing in this Section 20.4 is intended, or shall be deemed, to make any Washington law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable because the Franchisee resides in or the Franchised Business is located in the State of Washington. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any arbitration or legal proceeding involving Franchisee or Franchisee Affiliates and Franchisor or Franchisor Affiliates, all parties agree that the exclusive venue for disputes between them shall be in the state and federal courts in Seattle, Washington, and each waive any objection they may have to the personal jurisdiction of or venue in the state and federal courts in Seattle, Washington. Franchisor, Franchisor Affiliates, Franchisee and Franchisee Affiliates each waive their rights to a trial by jury.

20.5 Injunctive Relief

Notwithstanding the above provision for arbitration, Franchisor and Franchisee shall each have the right in the proper case to obtain injunctive relief from a court of competent jurisdiction. Franchisee agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling more than \$500, but upon due notice, and Franchisee's sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Franchisee.

20.6 Limitations Period

To the extent permitted by Applicable Law, any legal action of any kind arising out of or relating to this Agreement or its breach, including without limitation, any claim that this Agreement or any of its parts is invalid, illegal or otherwise voidable or void, must be commenced by no later than the last to occur of the following: (i) 90 days after obtaining knowledge of the facts which

constituted or gave rise to the alleged violation or liability, or (ii) one year after the act, event, occurrence or transaction which constituted or gave rise to the alleged violation or liability; provided, however, the applicable limitations period shall be tolled during the course of any mediation proceeding which is initiated before the last day of the limitations period, and such toll shall commence on the date the Responding Party receives the Initiating Party's demand for mediation and continue until the date the mediation is concluded.

20.7 Punitive or Exemplary Damages

Franchisor and Franchisee, and their respective directors, officers, shareholders and guarantors, as applicable, each hereby waive to the fullest extent permitted by law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, each is limited to recovering only the actual damages proven to have been sustained by it.

20.8 Attorneys' Fees

Except as expressly provided in this Agreement, in any action or proceeding brought to enforce any provision of this Agreement or arising out of or in connection with the relationship of the parties hereunder, the prevailing party shall be entitled to recover against the other its reasonable attorneys' fees and costs in addition to any other relief awarded by the arbitrator or court. As used in this Agreement, the "prevailing party" is the party who recovers greater relief in the action. Franchisor shall be entitled to reimbursement of all fees, costs and expenses which it incurs, including fees to retain attorneys, accountants or other experts, to enforce its rights under this Agreement under circumstances when no mediation, arbitration or judicial action is commenced.

20.9 Waiver of Collateral Estoppel

The parties agree they should each be able to settle, mediate, arbitrate, litigate or compromise disputes in which they may be, or become, involved with third parties without having the dispute affect their rights and obligations to each other under this Agreement. Franchisor and Franchisee therefore each agree that a decision of an arbitrator or judge in any proceeding or action in which either Franchisor and Franchisee, but not both of them, is a party will not prevent the party to the proceeding or action from making the same or similar arguments, or taking the same or similar positions, in any proceeding or action between Franchisor and Franchisee. Franchisor and Franchisee therefore waive the right to assert that principles of collateral estoppel prevent either of them from raising any claim or defense in an action or proceeding between them even if they lost a similar claim or defense in another action or proceeding with a third party.

20.10 Waiver of Class Action Proceedings and Relief

Franchisor and Franchisee agree that any mediation, arbitration or litigation initiated or brought by either party against the other will be conducted only on an individual basis, not on a class-wide basis, and there may be no consolidation or joinder of other claims or controversies involving any other Franchisee. Any such mediation or litigation initiated or brought by either party against the other will not and may not proceed as a class action, collective action, private attorney general action or any similar representative action. Franchisor and Franchisee both understand and agree that they are waiving any substantive or procedural rights that they might have to bring an action on a class, collective, private attorney general, representative or other similar basis.

ARTICLE 21 GENERAL PROVISIONS

21.1 Overdue Amounts

All royalty and other fees, 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 shall bear interest after the due date at the interest rate of nine percent (9%), calculated and payable bi-weekly, not in advance, both before and after default, expiration or termination of this Agreement for any reason whatsoever, with interest on overdue interest at the aforesaid rate. The acceptance of any interest payment shall not be construed as a waiver by the Franchisor of its rights in respect of the default giving rise to such payment and shall be without prejudice to the Franchisor's right to terminate this Agreement in respect of such default.

21.2 Indemnification of the Franchisor

The Franchisee hereby agrees, during and after the term of this Agreement to indemnify and defend the Franchisor and Related Parties ("**Indemnified Parties**") harmless from any and all liabilities, losses, suits, claims, demands, costs (including attorneys fees), fines and actions of any kind or nature whatsoever to which they shall or may become liable for, or suffer by reason of any breach, violation or non-performance on the part of the Franchisee or any of its agents, servants or employees of any term or condition of this Agreement and from all claims, damages, suits, costs or rights of any persons, firms or corporations arising from the operation of the Franchised Business. With respect to any action or proceeding filed against an Indemnified Party that Franchisee has a duty to defend and indemnify Franchisor under this provision, Franchisor shall be informed of the action and all matters relating to its defense, and shall have the right to approve counsel selected to defend any Indemnified Party.

21.3 No Liability

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

21.4 Legal Relationship

The parties hereto hereby acknowledge and agree that, except as expressly provided in this Agreement, no party shall be considered to be the agent, representative, master or servant of any other party hereto for any purpose whatsoever, and that no party has any authority to enter into any contract, assume any obligations or to give any warranties or representations on behalf of any other party hereto. Nothing in this Agreement shall be construed to create a relationship of partners, joint ventures, fiduciaries, or any other similar relationship among the parties.

21.5 Joint and Several

If two or more individuals, corporations, partnerships, or other entities (or any combination of two or more thereof) shall sign or be subject to the terms and conditions of this Agreement as the Franchisee or as a guarantor, the liability of each of them under this Agreement shall be deemed to be joint and several.

21.6 Entire Agreement

This Agreement, all Guarantees, and the schedules attached hereto, and any other documents incorporated by reference set forth the entire agreement between the Franchisor and the Franchisee and other parties thereto, and contain all of the representations, warranties, terms, conditions, provisos, covenants, undertakings and conditions agreed upon by them with reference to the subject matter hereof. All other representations, warranties, terms, conditions, provisos, covenants, understandings and agreements, whether oral or written (including without limitation any letter of intent between the parties and other pre-contractual representations), are waived and are superseded by this Agreement. However, nothing in this Agreement or related agreements is intended to disclaim any representation made by the Franchisor in the franchise disclosure document furnished to the Franchisee as required prior to entering into this Agreement.

21.7 Amendments.

This Agreement can be amended or added to only by a written document that has been executed by both the Franchisor and the Franchisee.

21.8 Severability

If for any reason whatsoever, any term or condition of this Agreement or the application thereof to any party or circumstance shall, to any extent be invalid or unenforceable, all other terms and conditions of this Agreement and/or the application of such terms and conditions to parties or circumstances, other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and condition of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

21.9 Survival

Notwithstanding the expiration or termination of this Agreement for any reason whatsoever, all covenants and agreements to be performed and/or observed by the Franchisee under this Agreement or which by their nature survive the expiration or termination of this Agreement, including without limitation, those set out in Article 9, Section 14.2, Section 14.3, Section 15.2, Section 15.3, Section 17.10, Section 17.12, Article 18, and Section 21.2, hereof shall survive any such expiration or termination.

21.10 Franchisee May Not Withhold Payments Due the Franchisor

The Franchisee agrees that it will not, on grounds of the alleged non-performance by the Franchisor of its obligations hereunder, withhold payment of any royalty or other amounts due to the Franchisor or its Affiliates, whether on account of goods purchased by the Franchisee or otherwise.

21.11 Notice

All notices, consents, approvals, statements, authorizations or warnings (collectively "**Notices**") required or permitted to be given hereunder shall be in writing, and shall be delivered by courier or mailed by registered mail, to the parties at their respective addresses set forth hereunder, namely:

To the Franchisor at: 1610 Ingleton Avenue, Burnaby, B.C. V5C 5R9, Canada

To the Franchisee at: _____

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, shall be deemed to have been given on the second business day (except Saturdays and Sundays) following such mailing, or, if delivered personally, shall be deemed to have been given on the day of delivery, if a business day, or if not a business day, on the business day next following the day of delivery, provided that if such notice shall have been mailed and if regular mail service shall be interrupted by strike or other irregularity before the deemed receipt of such notice as aforesaid, then such notice shall not be effective unless delivered.

21.12 Headings, Article Numbers

The headings, article numbers and table of contents appearing in this Agreement or any schedule hereto are inserted for convenience of reference only and shall not in any way affect the construction or interpretation of this Agreement.

21.13 Time of the Essence

Time shall be of the essence of this Agreement and of each and every part hereof.

21.14 Waiver of Obligations

Any waiver granted by the Franchisor to the Franchisee excusing or reducing any obligation or restriction imposed under this Agreement shall be in writing and shall be effective upon delivery of such writing by the Franchisor to the Franchisee or upon such other effective date as specified in the writing, and only to the extent specifically allowed in such writing. No waiver granted by the Franchisor, and no action taken by the Franchisor, with respect to any third party shall limit the Franchisor's right to take action of any kind, or not to take action, with respect to the Franchisee. Any waiver granted by the Franchisor to the Franchisee shall be without prejudice to any other rights the Franchisor may have. No delay or failure on the part of the Franchisor in the exercise of any right or remedy shall operate as a waiver thereof, or otherwise affect, impair or prevent the Franchisor from exercising any rights or remedies to which it may be entitled; and no single or partial exercise by the Franchisor of any right or remedy shall preclude the Franchisor from fully exercising such right or remedy or any other right or remedy. The Franchisor's acceptance of any payments that Franchisee may make after a breach of this Agreement shall not be, nor be construed as, a waiver by the Franchisor of any breach by the Franchisee of any term, covenant or condition of this Agreement, regardless of the Franchisor's knowledge of the happening of such preceding event at the time of acceptance of such payment.

21.15 Franchisee Defined, Use of Pronouns

The word "Franchisee" whenever used in this Agreement shall be deemed and taken to mean each and every person or party signing this Agreement as Franchisee, and if there shall be more than one person signing as Franchisee, any notice, consent, approval, statement, authorization, document or other communication required or permitted to be given by the terms or conditions of this Agreement may be given by or to any one thereof, and shall have the same force and effect as if given by or to all thereof. The use of the neuter or male or female pronoun to refer to the Franchisee may be an individual (male or female) or a partnership. The necessary grammatical changes required to make the provisions of this Agreement apply in the plural sense, where there is more than one Franchisee and to either individual (male or female) partnerships, shall in all instances be assumed in each case. The words "hereof", "herein", "hereunder" and similar expressions used in any Article or Section of this Agreement relate to the whole of this Agreement (including any Schedules attached hereto) and not to that Article or Section only, unless otherwise expressly provided for or the context clearly indicates to the contrary.

21.16 Power of Attorney

Notwithstanding anything herein contained, if the Franchisee does not execute and deliver to the Franchisor any documents or other instruments which it is so required to execute and deliver pursuant to this Agreement within the time period or periods so specified herein, the Franchisee does hereby irrevocably appoint the Franchisor as the Franchisee's lawful attorney-in-fact with full power and authority to execute and deliver in the name of the Franchisee any such document or instruments and to do all things as may be required from time to time to comply with the provisions pursuant to which the power of attorney is being utilized, and the Franchisee hereby agrees to ratify and confirm all such acts of the Franchisor as its lawful attorney-in-fact and to indemnify and save the Franchisor harmless from all claims, losses, or damages in so doing. The Franchisee hereby declares that the powers of attorney hereby granted may be exercised during any subsequent legal incapacity on his part.

21.17 Cross-Default

Any default by the Franchisee in the performance or observance of any of the terms and conditions under any agreement between the Franchisor or Affiliate and the Franchisee, and any termination of such agreement by Franchisor or Affiliate for cause, shall be deemed to be an event of default under all other agreements between the Franchisor and Franchisee, including this Agreement.

21.18 Set-Off by the Franchisor

Notwithstanding anything contained in this Agreement, upon the failure of the Franchisee to pay to the Franchisor as and when due, any amounts of money provided for herein, the Franchisor shall have the right at its election, to deduct any and all such amounts remaining unpaid from any monies or credits held by the Franchisor for the account of the Franchisee.

21.19 Further Assurances

Each of the parties hereto hereby covenants and agrees to execute and deliver such further and other agreements, assurances, undertakings, acknowledgements or documents, cause such meetings to be held, resolutions passed, and by-laws enacted, exercise their vote and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this agreement and every part hereof.

21.20 Binding Agreement

Subject to the restrictions on assignment herein contained, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

21.21 When Agreement Binding on the Franchisor

This Agreement is not effective until signed by a corporate officer of the Franchisor. No field representative or salesman is authorized to execute this Agreement on behalf of the Franchisor. The Franchisee is advised not to incur any expense or obligation with respect to the proposed franchise business until the Franchisee has received a fully executed copy of this Agreement from the Franchisor.

21.22 Rights of the Franchisor Are Cumulative

The rights of the Franchisor hereunder are cumulative and no exercise or enforcement by the Franchisor of any right or remedy hereunder shall preclude the exercise or enforcement by the Franchisor of any other right or remedy hereunder or which the Franchisor is otherwise entitled by law to enforce.

21.23 Force Majeure

In the event that any party hereto is delayed or hindered in the performance of any act required herein by reason of outbreak of disease, strike, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, act of terrorism, war or other reasons of a like nature not the fault of such party, then performance of such act shall be excused for the period of the delay and the period for performance of any such act shall be extended for a period equivalent to the period of such delay, up to a maximum of three (3) months. The provisions of this Section 21.23 shall not operate to excuse the Franchisee from the prompt payment of any fee or other payment due the Franchisor pursuant to the provisions of this Agreement.

21.24 Counterparts

This Agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

21.25 Independent Legal Advice

Franchisee has been advised to obtain independent legal advice with respect to this Agreement and acknowledges that it has had the opportunity to seek such independent legal advice before entering into this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

FRANCHISOR:
FRESHSLICE USA LLC

By: _____
Name: Tom Horler _____
Title: _____

FRANCHISEE (ENTITY):
[Franchisee entity name]

By: _____
Name: _____
Title: _____

[Franchisee Entity must complete Statement of Ownership on next page]

FRANCHISEE (INDIVIDUAL):

Name: _____

STATEMENT OF OWNERSHIP

Franchisee: _____

Trade Name (if different from above): _____.

Form of Ownership
(Check One)

Partnership
 Corporation
 Limited Liability Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a Limited Liability Company, provide name and address of each member and each manager showing percentage owned and indicate the state and date of organization.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

Name <small>(include date and state of formation for entity owners)</small>	Address	Percentage of Ownership

Use additional sheets if necessary. Any and all changes to the above information must be reported to Franchisor in writing.

Franchisee acknowledges that this Statement of Ownership applies to the Freshslice Pizza Restaurant authorized under the Franchise Agreement.

Date: _____

By: _____

Print Name: _____

SCHEDULE "A"

PREMISES:

PROPRIETARY MARKS:

USPTO REGISTRATION /
APPLICATION No.

REGISTRATION /
APPLICATION DATE

FRESHSLICE

N/A

N/A



4476675

February 4, 2014

SCHEDULE "B"
GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

PERSONAL GUARANTY

THIS GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS ("**Guaranty**") is made as of _____, by _____, an individual ("**Guarantor**") in favor of **FRESHSLICE USA, LLC**, a Delaware limited liability company ("**Franchisor**"), subject to the following recitals:

RECITALS

A. _____ ("**Debtor**") has applied to purchase, or has, the right to develop one or more Freshslice Pizza Restaurants on the terms of the contracts (collectively referred to in this Guaranty as the "**Contracts**") attached to Franchisor's Franchise Disclosure Document.

B. Capitalized terms in this Guaranty have the same definition assigned to them in the Franchise Agreement and Guarantor acknowledges by its execution of this Guaranty that it has, or can obtain, a copy of the Franchise Agreement from Debtor.

C. Debtor is a business entity organized under the laws of the State of _____.

D. The grant of license in the Franchise Agreement is made by the Franchisor in reliance on the personal attributes of the Franchisee's directors, officers, shareholders, partners or members, and in consideration of the trust and confidence which the Franchisor places in those individuals who will actively and substantially participate personally in the beneficial ownership and management of the Franchised Business. Accordingly, each of the Franchisee's directors, officers, shareholders, partners or members, as shall be required by the Franchisor, must execute and deliver this form of guarantee.

NOW, THEREFORE, in order to induce Franchisor to enter into one or more of the Contracts with Debtor, Guarantor covenants and agrees with Franchisor as follows:

Section 1. Guaranty.

a. Guarantor hereby unconditionally and irrevocably guarantees to Franchisor and Franchisor's Affiliates the full and punctual payment and performance of all present and future amounts, liabilities, and obligations of Debtor to Franchisor, Franchisor's Affiliates, or to any successor or transferee thereof under each of the Contracts entered into by and between Debtor and Franchisor. Guarantor's agreement shall apply regardless of whether the amounts, liabilities or obligations are liquidated or unliquidated, now exist or arise after the date of this Guaranty, or consist of principal, interest, delinquency charges, costs, attorneys' fees or other kinds of fees or obligations under the Contracts as they may be amended by Debtor and Franchisor from time to time (collectively, the "**Indebtedness**").

b. Payments made on the Indebtedness will not discharge or diminish the obligations and liability of Guarantor under this Guaranty for any remaining and succeeding Indebtedness.

c. The guarantee provided for in this Guaranty is an absolute, unconditional, continuing guarantee of payment and is in no way conditioned upon or limited by: (i) any attempt to collect from Debtor; (ii) any attempt to collect from, or the exercise of any rights and remedies

against, any person other than Debtor who may at any time now or hereafter be primarily or secondarily liable for any or all of the Indebtedness, including, without limitation, any other maker, endorser, surety, or guarantor of all or a portion of the Indebtedness; or (iii) any resort or recourse to or against any security or collateral now or hereafter pledged, assigned, or granted to Franchisor under the provisions of any instrument or agreement or otherwise assigned or conveyed to it.

d. If Debtor fails to pay any of the Indebtedness, when and as the same shall become due and payable (whether by acceleration, declaration, extension or otherwise), Guarantor shall on demand pay the same to Franchisor in immediately available funds, in lawful money of the United States of America, at its address specified in or pursuant to this Guaranty.

Section 2. Solidary Obligation.

Guarantor hereby binds and obligates Guarantor and Guarantor's heirs, successors and assigns in solido with Debtor for the full and punctual payment and performance of all of the Indebtedness precisely as if the same had been contracted and were due and owing by Guarantor personally.

Section 3. Obligations Absolute.

a. The obligations and liabilities of Guarantor under this Guaranty (i) are primary obligations of Guarantor, (ii) are continuing, absolute, and unconditional, (iii) shall not be subject to any counterclaim, recoupment, set-off, reduction, or defense based upon any claim that Guarantor may have against Debtor, (iv) are independent of any other guaranty or guaranties at any time in effect with respect to all or any part of the Indebtedness, and (v) may be enforced regardless of the existence of another guaranty or guaranties.

b. The obligations and liabilities of Guarantor under this Guaranty shall not be affected, impaired, lessened, modified, waived or released by the invalidity or unenforceability of the Indebtedness or any ancillary or related document, or by the bankruptcy, reorganization, dissolution, liquidation or similar proceedings affecting Debtor or the sale or other disposition of all or substantially all of the assets of Debtor.

c. Guarantor hereby consents that at any time and from time to time, Franchisor may, without in any manner affecting, impairing, lessening, modifying, waiving, or releasing Guarantor's obligations or liabilities under this Guaranty, do any one or more of the following, all without notice to, or further consent of, Guarantor:

(1) renew, extend, or otherwise change the time or terms for payment of the principal of, or interest on, any of the Indebtedness or any renewals or extensions thereof;

(2) extend or change the time or terms for performance by Debtor of any other obligations, covenants, or agreements;

(3) amend, compromise, release, terminate, waive, surrender, or otherwise deal with: (i) any or all of the provisions of the Indebtedness, (ii) any or all of the obligations and liabilities of Debtor or Guarantor, or (iii) any or all property or other security given at any time as collateral by Guarantor or Debtor;

(4) sell, assign, collect, substitute, exchange or release any or all property or other security now or hereafter serving as collateral for any or all of the Indebtedness;

(5) receive additional property or other security as collateral for any or all of the Indebtedness;

(6) fail or delay to enforce, assert or exercise any right, power, privilege or remedy conferred upon Franchisor under the provisions of any Indebtedness or under Applicable Laws;

(7) grant consents or indulgences or take action or omit to take action under, or in respect of, the Indebtedness; and

(8) apply any payment received from Debtor or from any source, other than Guarantor, to the Indebtedness in whatever order and manner Franchisor may elect, and any payment received, Guarantor for or on account of this Guaranty may be applied by Franchisor to any of the Indebtedness in whatever order and manner Franchisor may elect.

Section 4. Waiver by Guarantor.

Guarantor unconditionally waives, to the extent permitted by Applicable Laws:

a. notice of acceptance of and reliance on this Guaranty or of the creation of the Indebtedness;

b. presentment, demand, dishonor, protest, notice of non-payment and notice of dishonor of the Indebtedness;

c. notice of transfer or assignment of the Indebtedness and this Guaranty; and

d. all notices required by statute or otherwise to preserve any rights against Guarantor hereunder, including, without limitation, any demand, proof, or notice of non-payment of any of the Indebtedness by Debtor and notice of any failure or default on the part of Debtor to perform or comply with any term of the Indebtedness.

Section 5. Subrogation.

Until such time as the Indebtedness has been paid and performed in full and the provisions of this Guaranty are no longer in effect, Guarantor shall not exercise any right to subrogation, reimbursement or contribution against Debtor nor any right to subrogation, reimbursement or indemnity against any property or other security serving at any time as collateral for any or all of the Indebtedness, all of which rights of subrogation, reimbursement, contribution and indemnity Guarantor subordinates to the full and punctual payment and performance of the Indebtedness.

Section 6. Subordination.

Should Guarantor for any reason advance or lend monies to Debtor, whether or not the funds are used by Debtor to reduce the Indebtedness, Guarantor hereby agrees that any and all rights that Guarantor may have or acquire to collect from, or be reimbursed by, Debtor shall be subordinate to the rights of Franchisor to collect and enforce the payment and performance of the Indebtedness, until such time as the Indebtedness has been fully paid and performed and the provisions of this Guaranty are no longer in effect.

Section 7. Remedies.

Upon Debtor's failure to pay or perform any of the Indebtedness when due (whether by acceleration or otherwise), Franchisor, subject to the provisions of this Guaranty, may institute a judicial proceeding for the collection of the sums or the performance of the Indebtedness so due and unpaid or unperformed, and may prosecute the proceeding to judgment for final decree, and may enforce the same against Guarantor and collect the monies adjudged or decreed to be payable in the manner provided by law out of the property of Guarantor, wherever situated. In the event of Debtor's failure, Franchisor shall have the right to proceed first and directly against Guarantor without proceeding against Debtor or any other person, without exhausting any other remedies which it may have and without resorting to any other security held by Franchisor. Debtor's alleged reason or excuse for failing to pay or perform any of the Indebtedness when due shall not limit or restrict Franchisor's enforcement of its rights arising under this Guaranty.

Section 8. Enforcement Expenses.

Guarantor agrees to indemnify and hold Franchisor harmless against any loss, liability, or expense, including their reasonable attorneys' fees, accounting fees and other costs and disbursements that may result from Debtor's failure to pay or perform any of the Indebtedness when and as due and payable or that may be incurred in enforcing any obligation of Debtor or Guarantor.

Section 9. Notices.

All communications required or permitted to be given to either party hereunder shall be in writing and shall be deemed duly given on the earlier of (a) the date when delivered by hand; (b) one business day after delivery to a reputable national overnight delivery service; or (c) 4 business days after being placed in the United States Mail and sent by certified or registered mail, postage prepaid, return receipt requested. Notices shall be addressed in the manner shown on Schedule A, provided either party may change its address for receiving notices by appropriate written notice to the other.

Section 10. Amendment.

Neither this Guaranty nor any provisions hereof may be changed, waived, discharged or terminated orally or in any manner other than by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

Section 11. Waivers.

No course of dealing on the part of Franchisor, its officers, employees, consultants or agents, nor any failure or delay by Franchisor with respect to exercising any of rights, powers or privileges under this Guaranty shall operate as a waiver thereof.

Section 12. Cumulative Rights.

The rights and remedies of Franchisor under this Guaranty, the Indebtedness and any ancillary or related document shall be cumulative, and the exercise or partial exercise of any Franchisor's rights or remedies shall not preclude the exercise of any other right or remedy which Franchisor may have under Applicable Law.

Section 13. Titles of Articles, Sections and Subsections.

All titles or headings to articles, sections, subsections or other divisions of this Guaranty are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to interpreting the content of such articles, sections, subsections or other divisions, such other content being controlling as to the intent and agreement of the parties to this Guaranty.

Section 14. Definitions: Singular and Plural.

Unless specifically defined in this Guaranty, all capitalized terms in this Guaranty shall have the same meaning assigned to them in the Franchise Agreement to be entered into by and between Debtor and Franchisor. Words used in the singular, where the context so permits, shall be deemed to include the plural and vice versa. The definitions of words used in the singular shall also apply to the words when used in the plural and vice versa.

Section 15. Dispute Resolution.

The parties adopt and incorporate by reference as part of this Guaranty the Dispute Resolution provisions in the Franchise Agreement and shall adopt the same provisions with respect to any dispute arising out of or pertaining to this Guaranty.

Section 16. Successors and Assigns.

a. All covenants and agreements by or on behalf of Guarantor in this Guaranty shall bind Guarantor's heirs, successors and assigns and shall inure to the benefit of Franchisor and its successors and assigns.

b. This Guaranty is for the benefit of Franchisor and for any other person or persons as may from time to time become or be the holders of any of the Indebtedness, and this Guaranty shall be transferable and negotiable, with the same force and effect and to the same extent as the Indebtedness may be transferable, it being understood that, any holder of the Indebtedness shall have all of the rights of such granted to Franchisor under this Guaranty upon the transfer of the Indebtedness to the holder.

[Signature Page Follows]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the date first written above.

Date: _____

Guarantor:

By: _____

Print Name: _____

SPOUSAL CONSENT

The undersigned is the spouse of _____, Guarantor who has entered into the foregoing Guaranty of the obligations of _____.

I hereby give my consent to my spouse's execution of the Contracts, Guaranty, or both, and I agree that the actions and the obligations undertaken by my spouse under the referenced contract(s) shall be binding on the marital community and any interest I may have in any rights awarded to my spouse.

I declare that I have had the opportunity to request a copy of, and fully and carefully read, the Contracts, Guaranty, or both, and have furthermore had the opportunity to seek the advice of independent counsel with respect to this Consent.

Dated: _____

Signature of Spouse: _____

Print Name: _____

SCHEDULE "C"
CONFIDENTIALITY AGREEMENT

BETWEEN

FRESHSLICE USA LLC, a Delaware limited liability company, having an office at 1610 Ingleton Ave, Burnaby, BC V5C 5R9, Canada

(hereinafter referred to as the "**Franchisor**")

(hereinafter collectively referred to as the "**Franchisee**")

WHEREAS the Franchisee has been licensed by the Franchisor to operate a Freshslice franchised business (hereinafter called the "**Franchised Business**");

AND WHEREAS as a condition to the Franchisee being so licensed, the Franchisee agreed to cause its Employees and others to enter into this agreement.

NOW THEREFORE in consideration of the Franchisee employing the Employee or continuing such employment in the operation of the Franchised Business and in consideration of the payment by the Franchisee and the Franchisor to the Employee of Two Dollars (\$2.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Employee covenants and agrees as follows:

1. During the term of the Employee's employment, the Employee shall faithfully and diligently perform such duties and exercise such powers as may from time to time be assigned to him or vested in him by the Franchisee with respect to the operation of the Franchised Business.
2. The Employee hereby acknowledges and agrees that any information concerning any customers of the Franchisee or any trade secrets, specifications, documents and data relating to the techniques for, methods of, or practice in the operation of the Franchised Business is provided to the Employee in confidence and that the same is the property of the Franchisee and/or the Franchisor and represents valuable proprietary rights of the Franchisee and/or the Franchisor. The Employee agrees that, except as may be authorized in writing by the Franchisee, he shall not divulge or communicate to any person, corporation, partnership, trust or other entity, either during the term of the Employees employment or thereafter, any such knowledge or information or use any of the same other than for the purpose of or in connection with his employment by the Franchisee with respect to the operation of the Franchised Business.
3. Upon termination of the Employee's employment with the Franchisee for any reason whatsoever, the Employee shall immediately surrender to the Franchisee any and all materials in the possession or under the control of the Employee and relating in any manner to the Franchised Business.
4. The waiver by the Franchisee or the Franchisor of strict compliance or performance of any of the terms and conditions of this agreement or any breach thereof on the part of the Employee shall not be held or deemed to be a waiver of any subsequent failure to comply strictly with or perform the same or any other term or condition of this agreement or any breach hereof.

5. This agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, and assigns, as the case may be.

IN WITNESS WHEREOF this agreement has been executed by the parties as of the day and year first above written.

FRESHSLICE USA LLC – FRANCHISOR

By: _____
Tom Horler

FRANCHISEE

By: _____

FRANCHISEE

Per: _____

COMPANY SIGNATORY

Per: _____

_____)
Witness Name)
_____)
Address)
_____)
Occupation)

SIGNATURE OF WITNESS

SCHEDULE "D"
ASSIGNMENT OF INTERNET & TELEPHONE NUMBER LICENCE(S) AND ACCOUNT(S)

I/we, the undersigned, hereby consent to the assignment to Freshslice USA LLC of all internet and/or telephone numbers, licenses and related billing accounts issued with respect to the Freshslice Pizza Store located at: _____

FRANCHISEE

Per: _____

FRANCHISEE

Per: _____

COMPANY SIGNATORY

Per: _____

SCHEDULE "E"
AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENTS
(DIRECT DEBITS)

The undersigned depositor ("**Depositor**") hereby (1) authorizes FRESHSLICE USA LLC ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account indicated below and (2) authorizes the depository designated below ("**Depository**") to debit such account pursuant to Franchisor's instructions. Debit entries shall be limited to service fees and other amounts that become payable by the Depositor to the Franchisor arising from or related to the Franchise Agreement between Depositor and Franchisor dated _____.

Depository	Branch
City	State Zip Code
Bank Transit/ABA Number	Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Franchisor and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository shall provide Franchisor and Depositor with 30 days' prior written notice of the termination of this authority. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within 15 days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) 45 days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

DEPOSITOR (Print Name)	DEPOSITOR (Print Name)
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

EXHIBIT B

Confidentiality Agreement

EXHIBIT B
CONFIDENTIALITY AGREEMENT

This Agreement dated _____, is made

BETWEEN:

FRESHSLICE USA LLC, a Delaware limited liability company, with an office at 1610 Ingleton Avenue, Burnaby, British Columbia, V5C 5R9.

(the “**Company**”)

AND:

(the “**Recipient**”)

WHEREAS the Recipient has obtained certain information from the Company and wishes to obtain further information from the Company in connection with the Recipient’s consideration of the purchase, in whole or in part, of a Freshslice Pizza franchise (a “**Transaction**”);

AND WHEREAS the Company has made such information available to the Recipient and is willing to continue to make such information available to the Recipient for the purpose of permitting the Recipient to consider, evaluate and, if a Transaction proceeds, implement a Transaction (the “**Permitted Purpose**”), all subject to the terms and conditions set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follow

1. Definitions.

In this Agreement,

(a) “**Confidential Information**” means:

- (i) all information, in whatever form communicated, whether orally, in writing, electronically, that the Company discloses to, or that is gathered by inspection by, the Recipient or any of the Recipient’s representatives whether provided before or after the date of this Agreement.
- (ii) the existence and terms of this Agreement and any other agreements related to a possible Transaction.
- (iii) the fact that discussions or negotiations are or may be taking place with respect to a possible Transaction, the proposed terms of any such Transaction and the status of any discussions or negotiations under this Agreement.

(b) “**Recipient’s Representatives**” means the Recipient’s agents, directors, officers, employees, representatives, consultants, and advisers.

2. **Provision of Confidential Information.** Subject to the provisions of this Agreement, the Company shall make such Confidential Information available to the Recipient as the Company, in its sole discretion, considers advisable in the circumstances, solely for the Permitted Purpose.
3. **Non-Disclosure of Confidential Information.**
 - (a) The Recipient shall treat confidentially and not disclose and shall cause the Recipient's Representatives to treat confidentially and not disclose, except as permitted herein, any Confidential Information.
 - (b) The Recipient may disclose any of the Confidential Information only to those of the Recipient's Representatives for the purpose of assisting the Recipient to evaluate the Transaction provided the Recipient's Representatives are first made aware of this Agreement and agree to comply with its terms.
 - (c) The Recipient shall be responsible for any breach of this Agreement by any of the Recipient's representatives. The Recipient shall take all reasonable measures to restrain the Recipient's representatives from making unauthorized disclosure or use of the Confidential Information.
4. **Use of Confidential Information.** The Recipient shall not use, and shall cause the Recipient's Representatives not to use, the Confidential Information for any purpose other than the Permitted Purpose. The Recipient shall not use the Confidential Information in any way that is directly, or indirectly, detrimental to the Company.
5. **Compelled Disclosure.** If the Recipient or any of the Recipient's Representatives receives a request or is required by law, regulation, by-law or rule to disclose all or any part of the Confidential Information, the Recipient shall (a) immediately notify the Company of the existence, terms and circumstances surrounding the request or requirement, (b) consult with the Company on the advisability of taking legally available steps to resist or narrow the request or lawfully avoid the requirement, and (c) if requested by the Company, to seek a protective order or other appropriate remedy. If a protective order or other remedy is not available, or the Company waives compliance with the provisions of this Section 5, the Recipient or the Recipient's Representatives, as the case may be, may disclose only that portion of the Confidential Information which the Recipient is required to disclose and the Recipient shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by the Recipient or any of the Recipient's Representatives not permitted by this Agreement.
6. **Return of Documents.** If the Recipient decides not to proceed with a Transaction with the Company, the Recipient shall promptly notify the Company of that decision. In that case, or upon request by the Company at any time, the Recipient shall promptly return to the Company all physical copies of the Confidential Information and delete all electronic copies of the Confidential Information.
7. **Non-Solicitation.** For a period of three years from the date of this Agreement, the Recipient shall not directly or indirectly solicit for employment any person who is now employed by the Company, except that the foregoing shall not apply to the solicitation of employment of any person where contact with the Recipient is initiated by such person in response to an advertisement published by the Recipient and that is available to the general public.
8. **No Property Rights.** The Recipient acknowledges and agrees that the Confidential Information shall at all times remain the property of the Company or one or more of the

Company's related parties, as the case may be, and by making Confidential Information or other information available to the Recipient or the Recipient's Representatives, neither the Company nor any of the Company's related parties shall be deemed to be granting any license or other right under or with respect to any trade secret, patent, copyright, trademark or other proprietary or intellectual property right.

9. Miscellaneous.

- (a) No failure or delay by the Company in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or remedy under this Agreement.
- (b) The Recipient's obligations under this Agreement shall survive indefinitely, whether further agreements between the parties are entered into or not.
- (c) If any provision of this Agreement as applied to any party in any circumstance is adjudged by a court to be invalid or unenforceable, this will in no way affect any other provision of this Agreement, the application of such provision in any other circumstance, or the validity or enforceability of this Agreement.
- (d) Notices required or permitted to be given under this Agreement shall be in writing and shall be effectively given if delivered personally or sent by fax to the address listed for the respective party above.
- (e) The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (f) This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.
- (g) This Agreement shall ensure to the benefit of, and be binding on, the parties and their successors and permitted assigns. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party.
- (h) This Agreement may be signed in counterparts and transmitted by fax or other electronic means and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement.

FRESHSLICE USA LLC

[RECIPIENT]

By:

By:

Name: Tom Horler
Title: _____

Name: _____
Title: _____

EXHIBIT C

Financial Statements

FRESHSLICE USA LLC

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

AUGUST 28, 2023

BRANTLEY JANSON
Certified Public Accountants
A Professional Service Corporation
909 S. 336th St, Suite 201
Federal Way, Washington 98003



INDEPENDENT AUDITOR'S REPORT

To the Member
Freshslice USA LLC
Burnaby, British Columbia

Opinion

We have audited the accompanying financial statements of Freshslice USA LLC (a Delaware corporation), which comprise the balance sheet as of August 28, 2023, the related statements of operations and member's deficit, and cash flows for the initial period from March 31, 2023 to August 28, 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 Freshslice USA LLC as of August 28, 2023, and the results of its operations and its cash flows for the initial period 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 Freshslice USA LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Freshslice USA LLC'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 Freshslice USA LLC'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 Freshslice USA LLC'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.



August 31, 2023

FRESHSLICE USA LLC

**BALANCE SHEET
AUGUST 28, 2023**

ASSETS

CURRENT ASSETS	
Cash	\$ 102,639
DEFERRED INCOME TAX ASSET	<u>3,200</u>
TOTAL ASSETS	<u>\$ 105,839</u>

LIABILITIES AND MEMBER'S DEFICIT

CURRENT LIABILITIES	
Accounts payable	\$ 15,476
NONCURRENT LIABILITIES	
Due to Member	101,639
MEMBER'S DEFICIT	<u>(11,276)</u>
TOTAL LIABILITIES AND MEMBER'S DEFICIT	<u>\$ 105,839</u>

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

FRESHSLICE USA LLC

**STATEMENT OF OPERATIONS AND MEMBER'S DEFICIT
FOR THE INITIAL PERIOD ENDED AUGUST 28, 2023**

REVENUES	\$	-
OPERATING EXPENSES		
Legal expenses		<u>15,476</u>
LOSS BEFORE FEDERAL INCOME TAX		(15,476)
FEDERAL INCOME TAX		
Deferred		<u>3,200</u>
NET LOSS		(12,276)
MEMBER'S DEFICIT, beginning		-
CONTRIBUTION FROM MEMBER		<u>1,000</u>
MEMBER'S DEFICIT, ending	\$	<u><u>(11,276)</u></u>

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

FRESHSLICE USA LLC

**STATEMENT OF CASH FLOWS
FOR THE INITIAL PERIOD ENDED AUGUST 28, 2023**

OPERATING ACTIVITIES	
Net loss	\$ (12,276)
Adjustments to reconcile net loss to net cash provided by operations:	
Accounts payable	15,476
Deferred income tax	<u>(3,200)</u>
Net cash provided by operating activities	-
FINANCING ACTIVITIES	
Borrowings from Member	101,639
Contribution from Member	<u>1,000</u>
Net cash provided by financing activities	<u>102,639</u>
NET CHANGE IN CASH	102,639
CASH, beginning	<u>-</u>
CASH, ending	<u>\$ 102,639</u>

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

FRESHSLICE USA LLC

**NOTES TO FINANCIAL STATEMENTS
AUGUST 28, 2023**

NOTE 1 - NATURE OF ORGANIZATION

Freshslice USA LLC (the Company) was incorporated on March 31, 2023 pursuant to the Delaware Limited Liability Company Act. The Company's principal business activity is the operation and franchising of pizza sales locations in the United States. The Company is the American subsidiary of Freshslice Holdings Ltd (Member).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Currency

The United States dollar is the functional and presentation currency for the Company.

Transactions in foreign currencies are translated at the prevailing foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to U.S. dollars using the period end foreign currency rates. Foreign exchange gains and losses are included in earnings.

Cash

The Federal Deposit Insurance Corporation insures cash balances in the bank up to \$250,000. At August 28, 2023, there were no uninsured balances.

Income Tax

Income tax is provided for the tax effects of transactions reported in the financial statements and consists of tax currently due plus deferred tax. Deferred taxes result primarily from tax net operating loss carryforwards. Any deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. A valuation allowance may be established if it is necessary to reduce deferred tax assets to the amount expected to be realized in the future. Typically, the U.S. federal tax returns are open to examination for a period of three years after the filing date.

FRESHSLICE USA LLC

**NOTES TO FINANCIAL STATEMENTS
AUGUST 28, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management Review

Management has evaluated subsequent events through August 31, 2023, the date the financial statements were available to be issued.

NOTE 3 - FRANCHISES

Below is a summary of the franchise activity as of August 28, 2023:

Number of operating franchises	None
Number of franchisor owned outlets	None
Number of franchises sold	None

NOTE 4 - DUE TO MEMBER

The loan is payable to the Member and is denominated in Canadian Dollars (CAD). At August 28, 2023, the liability due to the Parent Company was CAD \$140,000. After translation to US dollars, the balance was \$101,639. The loan payable is unsecured, bears interest at 4.2% at August 28, 2023, and has no fixed terms of repayment. The Member has agreed to not demand repayment for the next year and thus the amount is considered long-term.

NOTE 5 - DEFERRED INCOME TAXES

The Company has a net operating loss as of August 28, 2023 of \$15,476. This has created a deferred tax asset of \$3,200 as of August 28, 2023.

NOTE 6 - CONCENTRATIONS

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the exchange rate with a foreign currency. The Company is not exposed to foreign exchange risk on sales and purchases. The Company is exposed to foreign exchange risk on borrowings that are denominated in Canadian Dollars.

EXHIBIT D

**Regulatory Authorities and
Agents for Service of Process in Certain States**

EXHIBIT D
NAMES AND ADDRESSES OF STATE REGULATORY AUTHORITIES
AND AGENTS FOR SERVICE OF PROCESS IN CERTAIN STATES

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
California	Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 (866) 275-2677 One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559 www.dfpi.ca.gov Ask.DFPI@dfpi.ca.gov	Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 (866) 275-2677 One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559 www.dfpi.ca.gov Ask.DFPI@dfpi.ca.gov
Connecticut	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	[Not Applicable]
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	Commissioner of Securities of the State of Hawaii, Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 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	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	Indiana Secretary of State 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	Maryland Securities Commissioner at the Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 (410) 576-6360

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
Michigan	Consumer Protection Division Michigan Department of Attorney General G. Mennen Williams Building, 1 st Floor 525 W. Ottawa Street Lansing, MI 48933 (517) 373-7117	Michigan Department of Consumer and Industry Services Corporations, Securities & Commercial Licensing Bureau P.O. Box 30018 Lansing, MI 48909 2407 N Grand River Ave Lansing, MI 48906 (517) 241-6470
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Commissioner of Commerce 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., 21 st Floor New York, NY 10005 (212) 416-8222	New York Secretary of State 99 Washington Avenue Albany, NY 12231 (518) 473-2492
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept 414 Bismarck, ND 58505 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept 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 State of Rhode Island Securities Division Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 (401) 222-3048	Director Department of Business Regulation State of Rhode Island Securities Division 1511 Pontiac Avenue John O. Pastore Center Cranston, RI 02920 (401) 462-9588
South Dakota	Department of Labor and Regulation Division of Insurance Securities Regulation 124 S Euclid, Second Floor Pierre SD 57501 (605) 773-3563	Director, Department of Labor and Regulation Division of Insurance Securities Regulation 124 S Euclid, Second Floor Pierre, SD 57501 (605) 773-3563
Texas	Secretary of State Statutory Document Section 1019 Brazos Austin, Texas 78701 (512) 475-0775	[Not Applicable]

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
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, State Corporation Commission 1300 East Main Street, First Floor Richmond, VA 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-0448	Administrator, Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-2139
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 listed.

EXHIBIT E

Lists of Current and Certain Former Franchisees

EXHIBIT E

Freshslice Pizza Franchisees as of December 31, 2022

OPERATING U.S. FRANCHISEES:

None

U.S. FRANCHISEES NOT YET OPERATING

None

OPERATING CANADIAN FRANCHISEES:

Address	Telephone	Owner
ALBERTA		
#115 - 251055 Cross Iron Blvd, Rocky View Alberta, T4A 0G3	403-203-7374	Corporate Store
#515 4 St SE, Calgary, AB T2G 2J1	403-273-7374	Mkem Ejifor
215, 13th Avenue SW, Calgary, AB T2R 0V6	825-222-6065	Najib & Wahid Ahmadi
10071 109 St NW, Edmonton, AB T5J 1M1	780-655-8887	Rajiv Jolly & Lucky Kaur
Unit 5 -69 Dunlap St., Red Dear Alberta, T4R 2H6	403-396-8107	Rainikant Panchani
BRITISH COLUMBIA		
1199 Lynn Valley Road, North Vancouver BC, V7J 3H2	604-983-0206	Sherestan Thillaiamplan
#120 - 132 West Esplanade, North Vancouver BC, V7M 1A2	604-990-4999	Prabhjot Sing
3111 Edgemont Blvd, North Vancouver BC, V7R 2N9	604-770-3475	Solmaz Pak
1449 Lonsdale Avenue, North Vancouver BC V7M2H9	604-990-4999	Prabhjot Sing
1387 Marine Drive, West Vancouver BC, V7T 1B6	604-281-3114	Charanjit Bhatti
40236 Glenalder Place, Squamish BC, V8B 0G2	604-567-7777	Baljit Binning
663 Abbott Street, Vancouver BC, V6B 0J4	604-568-4262	Behayilva (Mimi) Solomon
549 West Pender, Vancouver BC, V6B 1V5	604-909-7878	K. Anpagan & K. Kunasegafam
768 Robson Street, Vancouver, BC V6Z 1A1	604-416-4343	Tamila Khayrullaeva
1192 Robson Street, Vancouver BC V6E3V5	604-428-3578	Tamila Khayrullaeva
771 Davie Street, Vancouver BC, V6Z 2S7	604-669-0001	Amir Sarabi
1209 Pacific Boulevard, Vancouver BC, V6Z 2R6	604-347-0000	Frank Alexander
2529 E. Hastings Street, Vancouver BC, V5K 1Z2	604-444-7444	Frank Alexander
6374 Fraser Street, Vancouver BC, V5W 3A4	604-568-3001	Amir Sarabi
5128 Joyce st Vancouver BC, V5R 6B8	604-568-4003	Shawn Ibrahim
2418 Granville St, Vancouver BC, V6H 3G6	604-733-1561	Frank Alexander
#230 - 2083 Alma Street, Vancouver BC, V6R 4N6	604-568-4990	Kasthuri Sivakannan
2166 Western Parkway, Vancouver BC, V6T 1V6 (UBC)	604-569-0683	Frank Alexander
8618 Granville Street, Vancouver BC, V6P 5A1	604-569-3111	Sathya Ganasan
818 West Broadway, Vancouver BC V5Z 1J8	604-559-1039	Frank Alexander
498 Marine Drive SW, Vancouver BC, V5X 0C4	604-630-0030	Gayathiri Srivathanan
#120 - 8010 Saba Road, Richmond BC, V6Y 4B2	778-297-6030	Corey Sutherland
#160 - 11060 No.5 Road, Richmond BC, V7A 4E7	604-370-2444	Manjeet Kaur Bains
115-3866 Bayview Street, Richmond BC, V7E 3B6	604-370-9339	Frank Alexander
#1818-4949 Canoe Pass Way, Tswassen, BB, V4M B2	604-382-2777	Rex Wang & Anna Zhang
5207 Ladner Trunk Road, Ladner BC, V4K 1W4	604-946-9000	Frank Alexander

Address	Telephone	Owner
#222 - 7155 Kingsway, Burnaby BC, V5E 2V1 (Highgate Village)	604-544-5000	Hae Sook Choi
Unit# 105-4980 Kingsway, Burnaby, BC V5H 4K7	604-566-3347	Jennifer Palag
#407 - 32900 South Fraser Way, Abbotsford BC, V2S 5A1 (7 Oak)	604-746-4686	Parvinder Singh
#145 - 2362 Whatcom Road, Abbotsford BC, V3G 0C1	604-853-7789	Manpreet Sainbhi & Bhupinder Sainbhi
#2, 45590 Market Way, Chilliwack BC, V2R 0M5 (Garrison Village)	604-769-1515	Efan Nahar
#34C - 45585 Luckakuck Way, Chilliwack BC, V2R 1A3 (Cottonwood)	604-846-0446	Karanjet Virk
#2 - 4030 200th Street, Langley BC, V3A 1K7 (Brookwood)	604-510-2644	Mayank Patel
#409 - 19705 Fraser Highway, Langley BC, V3A 7E9 (Willowbrook)	604-534-8200	Kanagaratnam Thillainathan
#204 - 20999 88th Ave, Langley BC, V1M 2C9 (Walnut Grove)	778-298-2889	Jasdeep Singh Sandhu
240 Newport Drive, Port Moody, BC, V3H 5B9	604-917-0245	Sukwinder Grewal
#2601 - 2929 Barnet Highway, Coquitlam BC, V3B 5R5 (Coquitlam Center)	604-475-5590	Ravinder Dhaliwal
#102 - 417 E. Columbia, New Westminster BC, V3L 3X3	778 397-1397	Serry Philip Chacko
#149 - 610 Sixth Street, New Westminster BC, V3L 2C2 (Royal City)	604-759-0091	Balasubramaniam Suresh Danumalayan & Suky Suresh
#340 - 800 Carnarvon Street, New Westminster BC, V3M 0G3	604-553-2566	Steven & Neelam (Nina) Sandhu
#107 - 10777 University Drive, Surrey, BC, V3T 5T6	604-498-4933	Parviz Afshar Haghighi
#1410, 10355 - 152nd St, Surrey BC, V3R 7C1 (Guildford Town Center)	604-498-6899	Balwant S. Dhanoa (Bobby)
#104, 14357 - 104th Avenue, Surrey BC, V3T 1Y1	778-395-2286	Tajwinder Gill
#101 - 10252 City Parkway, Surrey BC, V3T 4C2 (Surrey Central Station)	604-957-2277	Balwant S. Dhanoa (Bobby)
#705 - 10153 King George Blvd., Surrey BC, V3T 2W1 (Central City)	604-498-4100	Balwant S. Dhanoa (Bobby)
#13 - 9908 King George Blvd., Surrey BC, V3T 4Y3	604-584-6766	Jasdeep Singh Sandhu
#119 - 7218 King George Highway, Surrey BC, V3W 5A5	778-565-4122	Sonia Manro
7271 Scott Rd, Delta BC, V4C 6P5	778-438-3838	Sonia Manro
#102 -10385 120 St Surrey, BC V3V 0C1 (Scott Road)	604-585-3635	Amritpal Singh
#145, 1711 - 152nd Street, Surrey BC, V4A 4N3 (Semiahmoo)	778-294-1911	Debbie Rae
1808 Bowen Rd, Nanaimo BC, V9S 5W4	250-591-0689	Libin Yang & Yanfeng Guo
#90 - 1320 Island Highway, Campell River BC, V9W 8C9	778-346-4448	Rajni Gupta & Jasmeet Singh
227 Bernard Ave, Kelowna BC, V1Y 6N2	250-717-1111	Jasmeet Singh Bhatia
#540 - 2271 Harvey Avenue, Kelowna BC, V1Y 6H2 (Orchard Park)	778-478-9111	Jasmeet Singh Bhatia
402 Victoria Street, Kamloops BC, V2C 2A7	778-471-1122	Greg Kelner
PO Box 2766 - 1512 Central Ave, Grand Forks BC, V0H 1H9	236-352-1111	Parmjeet Sehgal & Ravinder Nijjar
3210 Smith Dr, Armstrong, BC V0E 1B1	778-442-4544	Harry Thind
999 Central Street West, Prince George, BC, V2M 3C8	250-563-5601	Kuljit Katra
MANITOBA		
Unit 106-500 Portage Ave., Colony Sq., Winnipeg, MB, R3C 3X1	431-570-0329	Manjinder Dhillon & Ramandeep Brar

Address	Telephone	Owner
ONTARIO		
2025 Yonge Street, Toronto, ON, M4S 2A2	647-761-6519	Aamir Samani/Shaziz Samani
1106 St. Clair Avenue W. Toronto ON M6E 1A7	416-652-7492	Noor Ali Hussaini
774 King St., Toronto, ON., M5V 1N3	416-603-3232	Shezad Zavere/Salim Roziani
SASKATCHEWAN		
Unit F04 134 Primrose, Saskatoon, SK., S7K 5S6	606-974-4426	Frank Alexander

CANADIAN FRANCHISEES NOT YET OPERATING

Address	Telephone	Owner
BRITISH COLUMBIA		
Unit 102-1711-152nd Street, Surrey BC, V4A 4N3	604-825-2439	Debbie Rae
45975 Wellington Avenue, Chilliwack, BC, V2P 2C6	604-206-7031	Veer Sharma
510, 41 st Ave, Vancouver, BC, V5Z4M2	604-600-9810	Shivangi Paul
29560 Lougheed Hwy, Mission, BC V4S1H7	778-895-6358	Nirvair Singh
1241 Barton St. East, Unit Q2, Hamilton, ON	416-575-8338	Ajay Patel
4900 27 St. Vernon BC, Unit 660 V1T7G7	250-317-7208	Guriqbal Singh
2305 McPhillips Rd, Winnipeg, MB R2V3E1	431-668-7027	Satwinder Singh
480 Range Rd. Yellowknife NWT X1A3R9	587-834-1896	Harpreet Singh
916 2 nd St E Owen Sound, ON N4K2H6	416-617-5139	Saleem Khan
4400 4 th Ave, Regina SK S4T0H8	306-502-4080	Parminder Sandhu
1522 Finlay Street, Whiterock BC V4B5M2	604-652-4550	Amanjeet Kaur
473 King Street E, Hamilton ON L8N1C7	289-922-9219	Manish Rana

**Certain Former Freshslice Pizza Franchisees
as of December 31, 2022**

The following franchisees had a Franchised Business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the 2022 calendar year:

FORMER U.S. FRANCHISEES:

None

FORMER CANADIAN FRANCHISEES:

City, Province, Postal Code	Telephone	Owner
BRITISH COLUMBIA		
Comox BC, V9M 4A9	Uday Sagar Achutha	250-941-1293
Courtenay BC, V9N 2L5	Uday Sagar Achutha	250-871-7971
Duncan BC, V9L 2P4	G. Sutharsan	250-597-3326
Langford BC, V9B 2X3	Gulzar Hari & Paramjit Hari	778-265-4479
Nanaimo BC, V9R 5E2	G. Sutharsan	250-591-2777
Nanaimo BC, V9T 4T7 (Woodgrove Mall)	G. Sutharsan	250-933-5000
Nanaimo BC, V9V 1P6	Karen & Jason Breuker	250-933-1009
Victoria BC, V8W 3K4	Amanpreet Singh	250-590-2621
ALBERTA		
Edmonton, AB, T8H 1S8	Pujit Salagado	780-926-6570

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

EXHIBIT F

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TABLE OF CONTENTS OF OPERATIONS MANUAL(S)

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- 7 Freshslice Dough: Retarding, Panning, Proofing
- 8 Qualities of Expired Dough
- Speed Proofing - Tag - Retarded Dough and Expiration
- 9 **Chart & Forms**
- 10 How to Cut dough for Medium pizza & how to make Cheesy Bread
- 11 How to Make a Pizza
- Gluten Free Crust made with Quinoa
- 12 Saucing the Dough
- How to use Mozzarella Cheese & Topping
- 13 Pepperoni Rule Chart
- 14 Artisan Pizzas
- 15 Removing the Pizza Pan from the Oven & Cutting the Pizza
- How to Display Pizza in the Warmer
- Check the Freshness of the Pizza
- Discard Pizzas/Slices
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- 17 Job Priority List
- 18 Food Safety and Sanitation Highlights
- 22 **Open/Close Checklist**
- 23 Food Preparation & Safety procedures
- 27 **Bi-Weekly Cleaning Checklist**
- 28 **Chart – Nutritional Comparison Chart**
- 29 Homework – Chapter 2

Trainee's Initial

Training Manager's Initial



- 33 Ovens
- 36 Drain Bladder Instructions
- 37 Ice Machine
- Heating, Ventilation & Air Conditioning Office Table
- Customer Area, Windows, Mirror, Stainless Steel Walls and Equipment
- 39 Equipment List and Warrantee Information Form
- 40 Service Technician & Equipment List
- 41 Chart - Monthly Cleaning Checklist
- 42 Homework – Chapter 6

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- 43 Customer Service
- How to Treat a Guest, Ten Second Rule
- 44 Suggestive Selling
- Exceeding Expectations
- 45 Guest Complaint Handling
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- Standards: Position Specific, Company Wide
- 47 H.O. Weekly Productivity Reports
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- 51 Scheduling, Payroll Sheet, Daily Worksheet
- Unpaid Invoices, Inventory, Ordering
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- Income Statement, Ordering

Chapter 9 – Day 9 (4 Hours) - BWDI FOR 1 LOCATION BY TRAINEE & INSTRUCTOR OBSERVES

- 52 Hands on practice, BWDI, and Making all of our Products
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Trainee's Initial

Training Manager's Initial

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- 53 Digital Menu Boards "DMB"
- 55 POS System – AUPHAN
- 59 Restaurant Hours of Operation
- 60 Setup the Online Ordering – Restaurant Hours
- 64 Global Payment - VISA, Debit Machine Terminal
- Call Centre – Suggestions, Feedback, Complaints, etc.
- 66 Freshslice Head Office Employee
- 67 Freshslice Organizational Chart
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- 70 Color core motives & Natural Talents
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- 79 Welcome to Freshslice Marketing Book
- 80 Creating Your Local Store Marketing Plan
- 81 Implementing Your Plan
- 82 Business Plan
- 83 Action Plan
- 84 Food & Paper Costs
- 5 Main Pillars for our Pricing Structure
- 85 Role of Local Store Marketing
- Community Relations
- 86 Strengthening Dayparts
- 87 Coupons
- 88 Freshslice APP & Web Promotions
- Email Marketing

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- 92 Block Party / Grand Opening Checklist
- 94 Event Items (book through Commissary)
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- 103 School & Business Active Account Policy, School Program
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- 106 Pizza Sampling & Street Team
- 107 How to install window poster properly
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Trainee's Initial

Training Manager's Initial

EXHIBIT G

Franchise Disclosure Document Questionnaire

This Final Disclosure Questionnaire is not applicable to and shall not be used as to any franchise offer and/or sale involving any California resident and/or franchisee as the Final Disclosure Questionnaire violates of California Corporations Code sections 31512 and 31512.1.



FINAL DISCLOSURE QUESTIONNAIRE

As you know, Freshslice USA LLC (the “**Franchisor**”) and you are preparing to enter into a franchise agreement (the “**Franchise Agreement**”) for the operation of a Freshslice Pizza franchise (the “**Franchised Business**”). The purpose of this questionnaire is to determine whether any statements or promises were made to you, both orally or in writing, that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Franchise Agreement and each exhibit attached to it?
Check one: Yes _____ No _____

2. Do you understand all the information contained in the Franchise Agreement and each exhibit attached to it?
Check one: Yes _____ No _____

If no, what parts of the Franchise Agreement do you not understand? (attach additional pages, if necessary)

3. Have you received the Franchise Agreement you are to execute with all the blanks completed?

Check one: Yes _____ No _____

If so, on what date did you receive the completed Franchise Agreement?

4. Have you received and personally reviewed the Franchise Disclosure Document (“**FDD**”) which was provided to you?

Check one: Yes _____ No _____

On what date did you receive the FDD?

5. Have you been advised that the investigation and compliance with regulatory requirements in the operation of your franchised business are your sole responsibility?

Check one: Yes _____ No _____

6. Did you sign a receipt for the disclosure document indicating the date you received it?

Check one: Yes _____ No _____

7. Do you understand all of the information contained in the FDD?

Check one: Yes _____ No _____

If no, which parts of the FDD do you not understand? (attach additional pages, if necessary)

8. Have you discussed the benefits and risks of operating a Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?

Check one: Yes _____ No _____

If no, did you have the opportunity to do so?

Check one: Yes _____ No _____

9. Do you understand that the success or failure of your franchise will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease and other economic and business factors?

Check one: Yes _____ No _____

QUESTIONS 10 THROUGH 17 DO NOT RELATE TO INFORMATION YOU MAY HAVE BEEN GIVEN DIRECTLY BY ANY EXISTING FRANCHISEES OF THE FRANCHISOR OR AS IS CONTAINED IN THE FDD

10. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise concerning **the actual revenues, profits or operating costs** of a Franchised Business?

Check one: Yes _____ No _____

11. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise concerning **the amount of money you may earn** in operating the Franchised Business?

Check one: Yes _____ No _____

12. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise regarding **the costs you may incur in operating** the Franchised Business?

Check one: Yes _____ No _____

13. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise regarding **the costs you may incur in starting** the Franchised Business that is contrary to, or different from, the information contained in the FDD?

Check one: Yes _____ No _____

14. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise concerning **the likelihood of success that you should or might expect to achieve from operating** the Franchised Business?

Check one: Yes _____ No _____

15. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement, promise or agreement concerning **the advertising, marketing, training, support services or assistance that the Franchisor will**

furnish to you that is contrary to, or different from, the information contained in the FDD?

Check one: Yes _____ No _____

16. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement, promise or agreement relating to any right you may have to acquire territory in addition to what will be initially granted to you under the Franchise Agreement?

Check one: Yes _____ No _____

17. Has any employee, broker or other person speaking on behalf of the Franchisor made any other written or oral statement, promise or agreement relating to the Franchised Business that is contrary to, or different from, the information contained in the FDD?

Check one: Yes _____ No _____

If you have answered "Yes" to any of question ten (10) through seventeen (17), please provide a full explanation of your answer in the following lines (attach additional pages, if necessary). If you have answered "No" to each of the foregoing questions, please leave the following lines blank.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS AND ARE SIGNING IN YOUR OWN INDIVIDUAL CAPACITY AND IN THE CAPACITY AS AN OFFICER, DIRECTOR OR REPRESENTATIVE OF YOUR CORPORATION OR OTHER ENTITY FORMED OR TO BE FORMED TO ACT AS THE FRANCHISEE

SIGNATURE _____

NAME (PRINT) _____

POSITION _____

NAME OF ENTITY _____

DATE _____

EXHIBIT H

Form of General Release

GENERAL RELEASE

This GENERAL RELEASE ("Release") is made this _____ day of _____, _____, by _____ ("Releasor"), with reference to the following facts:

A. The undersigned, Releasor:

[COMPLETE AND CHECK APPROPRIATE BOX]

1. _____ is the Franchisee under, and signatory to, that certain Franchise Agreement dated _____ entered into by and between FRESHSLICE USA LLC, as Franchisor (the "Franchisor") and Releasor, as Franchisee, permitting Releasor to use the Franchisor's System and Proprietary Marks in operating a Freshslice Pizza Restaurant, as the terms, System and Proprietary Marks, are defined in the Franchise Agreement and on the further terms and conditions of the Franchise Agreement; or

2. _____ is an employee, officer, director, member, manager, partner or owner of an interest in the equity or voting interests of Franchisee.

B. This Release is being executed either pursuant to the requirements of the Franchise Agreement, or otherwise as a condition of the rights granted, or to be granted, by Franchisor, and for other good and valuable consideration, the receipt of which is acknowledged by the parties.

NOW, THEREFORE, RELEASOR AGREES AS FOLLOWS:

1. GENERAL RELEASE.

Releasor, for itself, himself or herself, and, if applicable, additionally, for its, his or her respective officers, directors, shareholders, members, managers, trustees, partners, employees, attorneys, heirs and successors (Releasor and such other persons are collectively referred to as the "Releasing Parties"), hereby release and forever discharge Franchisor, its officers, directors, shareholders, agents, employees, representatives, attorneys, successors and assigns, and each of them, from any and all claims, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, at law or in equity, of every nature, character or description whatsoever, whether known or unknown, suspected or unsuspected or anticipated or unanticipated, which any of the Releasing Parties ever had, now has, or may, shall or can hereafter have or acquire (collectively referred to as "Claims"). This Release includes, but is not limited to, all Claims arising out of, concerning, pertaining to or connected with any agreement, tort, statutory violation, representation, nondisclosure, act, omission to act, fact, matter or thing whatsoever, occurring as of or prior to the date of this Release, so that after the date of this Release, none of the Releasing Parties shall have any claim of any kind or nature whatsoever against Franchisor or its officers, directors, shareholders, agents, employees, representatives, attorneys, successors and assigns, directly or indirectly, or by reason of any matter, cause, action, transaction or thing whatsoever done, said or omitted to have been done or said at any time prior to the date of this Release.

2. WAIVER OF CIVIL CODE SECTION 1542.

This Release is intended by Releasor to be a full and unconditional general release, as that phrase is used and commonly interpreted, and to constitute a full, unconditional and final

accord and satisfaction, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of Releasor or any of the other Releasing Parties against Franchisor regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. Releasor, for itself, himself or herself, for each of the other Releasing Parties hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Releasor or any of the Releasing Parties would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to said Section 1542, whether now or hereinafter existing under the laws of California or any other applicable federal and state law with jurisdiction over the parties relationship. Releasor, for itself, himself or herself, for each of the other Releasing Parties, acknowledges that Section 1542 of the Civil Code of the State of California provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

In making this voluntary express waiver, Releasor acknowledges that claims or facts in addition to or different from those which are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is Releasor's intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. Releasor acknowledges and agrees that the foregoing waiver of Section 1542 is an essential, integral and material term of this Release.

3. DISPUTE RESOLUTION. Releasor agrees to be bound by the dispute resolution provisions in the Franchise Agreement to which Franchisee is a party, the terms of which are incorporated herein by this reference. Releasor understands that it is Releasor's sole responsibility to request a copy of the Franchise Agreement from Franchisee if Releasor does not have a copy.

4. RELEASE NOT ADMISSION. Releasor understands and agrees that the giving or acceptance of this Release and the agreements contained herein shall not constitute or be construed as an admission of any liability by Franchisor or an admission of the validity of any claims made by or against Franchisor.

5. AUTHORITY OF PARTIES. Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.

6. NO PRIOR ASSIGNMENTS. Releasor represents and warrants that Releasor has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all of such Claims being released.

7. FURTHER ASSURANCES. Each party agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform the terms, provisions and conditions of this Release.

IN WITNESS WHEREOF, Releasor has executed this Release on the date first shown above.

Releasor:

[IF APPLICABLE]

By: _____

Print Name: _____

Its: _____

EXHIBIT I

State Specific Addenda

**STATE SPECIFIC ADDENDA
TO FRANCHISE DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT, AND RELATED AGREEMENTS**

The following are state specific changes for certain franchise registration states and are applicable to you only if you are covered by the franchise law of the referenced state.

CALIFORNIA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE
AGREEMENT

The following modifications are to the Freshslice USA LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

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.

Section 31125 of the California Corporation Code requires us to give you a disclosure document, in the form and containing the information as the Commissioner may by rule or order require, before we ask you to consider a proposed material modification of your franchise agreement.

Neither we, nor any person or franchise broker disclosed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

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

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

You must sign a general release of claims if you renew or transfer your franchise rights. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043).

California Business and Professions Code Sections 20000 through 20043 provide rights to you 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 contains a liquidated damages clause, which, under Civil Code Sec. 1671, may not be enforceable

If the Franchise Agreement contains any provision that allows us to recover liquidated damages or termination payments, and if that provision is held unenforceable by an arbitrator or court of competent jurisdiction or if we waive that provision, then we are permitted instead to recover contractual damages caused by any breach of contract or default by you.

The Franchise Agreement requires application of the law of Washington. This provision may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Seattle, Washington. Costs of arbitration may be included by the arbitrator in any award.

CALIFORNIA

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The URL of our website is www.freshslice.com. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

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.

California franchisees shall not answer or complete the Final Disclosure Questionnaire attached as Exhibit G to the disclosure document.

Article 19 of the Franchise Agreement is deleted in its entirety.

[signatures on following page]

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20__, and of the FDD, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

HAWAII

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are to the Freshslice USA LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

1. The cover page to this Franchise Disclosure Document is amended to add the following:

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, OR SUBFRANCHISOR, 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 FRANCHISE 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 OR SUBFRANCHISOR.

2. The following list reflects the status of our franchise registrations in the states which have franchise registrations and/or disclosure laws:

1. The states in which this proposed registration is effective or where an offering has been filed: None
2. The states in which this proposed registration is or will shortly be on file: California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.
3. The states, if any, which have refused, by order or otherwise, to register these franchises: None
4. The states, if any, which have revoked or suspended the right to offer these franchises: None

HAWAII

5. The states, if any, in which the proposed registration of these franchises has been withdrawn: None

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the ____ day of _____, 20__, and of the FDD, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

ILLINOIS

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT

The following modifications are to the Freshslice USA LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

Illinois law governs the Franchise Agreement, except that the Illinois Franchise Disclosure Act shall not apply unless such statutes would apply independent of this choice of law provision.

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

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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.

[signatures on following page]

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the ____ day of _____, 20__, and of the FDD, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

KANSAS

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT

Section 21.2 of the Franchise Agreement states that you will indemnify and defend us and our affiliates and the directors, officers, managers, owners, employees, partners, agents, trustees, administrators, advisors and representatives of us and our affiliates harmless from and any and all liabilities, losses, suits, claims, demands, costs (including attorneys fees), fines and actions of any kind or nature whatsoever to which they shall or may become liable for, or suffer by reason of any breach, violation or non-performance on the part of the Franchisee or any of its agents, servants or employees of any term or condition of the Franchise Agreement and from all claims, damages, suits, costs or rights of any persons, firms or corporations arising from the operation of the Franchised Business. This provision may not be enforceable in Kansas unless separately negotiated and reasonable. By signing this Addendum, you hereby agree that you separately considered and had an opportunity to consult legal counsel concerning this indemnity, and that you consider it reasonable.

Section 13.2 of the Franchise Agreement requires that you name us and any appropriate affiliate of us as an additional named insured on certain insurance policies. This provision may not be enforceable in Kansas unless separately negotiated and reasonable. By signing this Addendum, you hereby agree that you separately considered and had an opportunity to consult legal counsel concerning this insurance clause, and that you consider it reasonable.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

KANSAS

MARYLAND

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT

This Addenda is an amendment to the Franchise Disclosure Document and the Franchise Agreement. The following modifications are made:

Item 17 of the disclosure document and any provision in the Franchise Agreement providing for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Item 17 of the disclosure document and sections of the Franchise Agreement requiring that you sign a general release as a condition of renewal, sale and assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 and the Franchise Agreement are revised to state that any claims under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Item 17v of the disclosure document and Section 20.6 of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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.

Article 19 of the Franchise Agreement is deleted in its entirety.

[signatures on following page]

MARYLAND

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the ____ day of _____, 20__, and of the FDD, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

MICHIGAN DISCLOSURE PAGE

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel that deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a franchise before the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure.
- (d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials that have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than 5 years and (ii) you are 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 area after the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.
- (e) A provision that permits us to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of us or our subfranchisor.

MICHIGAN

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) You or your proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value of the assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision that permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you 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.

Any questions regarding this notice should be directed to:

Michigan Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

Any provision in the Franchise Agreement specifying that litigation between us and you is to take place outside of Michigan is amended to provide instead that litigation will be brought either in the forum designated in the Franchise Agreement or in the state or federal courts located in Detroit, Michigan, and the parties consent to the jurisdiction of those courts; provided, however, that we reserve the right to seek relief in any other jurisdiction as may be necessary or desirable to obtain declaratory, injunctive, or other relief to enforce the provisions and restrictions of the Franchise Agreement. This amendment will have no effect on the forum or venue of any arbitration proceeding between us and you.

MICHIGAN

MINNESOTA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT

The following modifications are to the Freshslice USA LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by Minnesota law, the Franchise Agreement and Item 13 of the disclosure document are amended to state that we will protect your right to use our primary trademarks, or we will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of our primary trademarks.

Minnesota Rule 2860.4400D may prohibit us from requiring you to assent to a general release. The FDD and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

No statement, questionnaire, or acknowledgment signed by a franchisee in connection with the commencement of the franchise relationship shall be construed as waiving any claims under any applicable state franchise law, including fraud in the inducement, or as 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.

[signatures on following page]

MINNESOTA

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the ____ day of _____, 20__, and of the FDD, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

NEW YORK

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT

The following modifications are to the Freshslice USA LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

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 D 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 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 CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS that 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.

NEW YORK

- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for a 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 the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements — 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 must 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.

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20__, and of the FDD, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

NORTH DAKOTA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT

The following modifications are to the Freshslice USA LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

Sections of the disclosure document and Franchise Agreement requiring you to consent to the jurisdiction of courts outside of North Dakota or providing for resolution of disputes to be outside North Dakota may not be enforceable under North Dakota law, and are amended accordingly to the minimum extent required by law.

Sections of the Franchise Agreement requiring you to arbitrate or mediate disputes may require you to consent to a waiver of trial by jury. A waiver of trial by jury may not be enforceable under North Dakota law and any such provisions are amended accordingly to the minimum extent required by law.

Sections of the disclosure document and Franchise Agreement relating to choice of law, may not be enforceable under North Dakota law, and are amended accordingly to the minimum extent required by law.

Sections of the disclosure document and Franchise Agreement requiring you to sign a general release upon renewal of the Franchise Agreement may not be enforceable North Dakota law, and are amended accordingly to the minimum extent required by law.

Sections of the disclosure document and Franchise Agreement requiring you to consent to termination or liquidated damages may not be enforceable under North Dakota law. The disclosure document and Franchise Agreement are revised to state that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

If the Franchise Agreement contains any provision that allows us to recover liquidated damages or termination payments, and if that provision is held unenforceable by an arbitrator or court of competent jurisdiction or if we waive that provision, then we are permitted instead to recover contractual damages caused by any breach of contract or default by you.

Sections of the Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under North Dakota law, and any such provisions are amended accordingly to the minimum extent required by law.

Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that those covenants may be subject to the statute, have been determined to be unfair, unjust, or inequitable in North Dakota. Sections of the disclosure document and Franchise Agreement containing covenants restricting competition to which you must agree may not be enforceable under North Dakota law, and are amended accordingly to the minimum extent required by law.

NORTH DAKOTA

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20__, and of the FDD, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

RHODE ISLAND

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT

The following modifications are to the Freshslice USA LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The disclosure document and Franchise Agreement are amended accordingly to the extent required by law.

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20__, and of the FDD, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

RHODE ISLAND

VIRGINIA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT

The following modifications are to the Freshslice USA LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

The following statements are added to Item 17.h. of the disclosure document:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for us to cancel your franchise without reasonable cause. If any ground 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.

[signatures on following page]

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the ____ day of _____, 20__, and of the FDD, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

WASHINGTON

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT

The following modifications are to the Freshslice USA LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

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.

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.

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 statute 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.

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

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 provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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.

WASHINGTON

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.

Article 19 of the Franchise Agreement is deleted in its entirety.

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the ____ day of _____, 20__, and of the FDD, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

WISCONSIN

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT

The following modifications are to the Freshslice USA LLC Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

With respect to franchise agreements governed by Wisconsin law, the following shall supersede any inconsistent provision:

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, nonrenewal or substantial change in the competitive circumstances of a dealership agreement without good cause. The Law further provides that 90 days' prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The disclosure document and Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions in the Franchise Agreement that are inconsistent with that Law. Wis. Stats. Ch. 135, The Wisconsin Fair Dealership Law, SEC 32.06(3), Wis. Adm. Code.

ACKNOWLEDGMENT:

It is agreed that any applicable part of the foregoing state law addendum supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20__, and of the FDD, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

FRANCHISOR:

FRESHSLICE USA LLC

By: _____
Title: _____
Date Signed: _____

FRANCHISEE:

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

By: _____
Title: _____
Date Signed: _____

WISCONSIN

EXHIBIT J

State Effective Dates

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	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.

EXHIBIT K

Receipts

Receipt
(Our Copy)

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 Freshslice USA LLC offers you a franchise, Freshslice USA LLC must provide this disclosure document to you at least 14 calendar-days (or longer in some states) 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 also requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the signing of any agreement or the payment of any consideration. Iowa also requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the signing of any agreement or the payment of any consideration. Michigan also requires that Freshslice USA LLC 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 Freshslice USA LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and to the relevant state agency listed in Exhibit D.

Our employed franchise sellers for this offering are Sohan Danyal, Michael Enos, and Andy Lewicki, and their business address and phone number is 1610 Ingleton Avenue, Burnaby, British Columbia, V5C 5R9; telephone: 604-251-7444. If the principle franchise seller that you have contact with is other than those listed in this paragraph, you should write in the name address and phone of the principle franchise seller here: _____

Issuance Date: September 1, 2023.

I received a disclosure document dated September 1, 2023 that included the following Exhibits:

- A Franchise Agreement, with the following attached schedules:
 - Schedule "A" – Premises and Trademarks
 - Schedule "B" – Guaranty and Assumption of Franchisee's Obligations
 - Schedule "C" – Confidentiality Agreement
 - Schedule "D" – Assignment of Internet & Telephone Number License(s) and Accounts
 - Schedule "E" – ACH Debit (EFT) Agreement
- B Confidentiality Agreement
- C Financial Statements
- D Regulatory Authorities and Agents for Service of Process in Certain States
- E List of Franchisees and Certain Former Franchisees
- F Table of Contents of Operations Manual
- G Franchise Disclosure Document Questionnaire
- H Form of General Release
- I State Specific Addenda
- J State Effective Dates
- K Receipts

DATE DISCLOSURE DOCUMENT RECEIVED: _____

SIGNED: _____

SIGNED: _____

DATE SIGNED: _____

DATE SIGNED: _____

NAME & TITLE (Please print)

NAME & TITLE (Please print)

Address

Address

DATE DISCLOSURE DOCUMENT RECEIVED: _____

SIGNED: _____

SIGNED: _____

DATE SIGNED: _____

DATE SIGNED: _____

NAME & TITLE (Please print)

NAME & TITLE (Please print)

Address

Address

Please sign and date this Receipt (with the date that you received the disclosure document), and if you received it electronically via email, also:

1. Open the attached disclosure document, to verify that you can download it; then immediately Reply to All, with a cc to the email address listed on the state cover page of this disclosure document, stating that you received and downloaded this disclosure document; AND:

2. Also print, sign, and date a copy of the Receipt (with the date that you received this disclosure), and return via mail or fax to us at the address or fax number on the state cover page of this disclosure document.

Attach additional signatures or use additional receipts if necessary. All owners, or two authorized officers or managers, of an entity franchisee must review all documents and sign individually and on behalf of any legal entity.

RETURN THIS COPY TO US

Receipt
(Your Copy)

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 Freshslice USA LLC offers you a franchise, Freshslice USA LLC must provide this disclosure document to you at least 14 calendar-days (or longer in some states) 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 Freshslice USA LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and to the relevant state agency listed in Exhibit D.

Our employed franchise sellers for this offering are Sohan Danyal, Michael Enos, and Andy Lewicki, and their business address and phone number is 1610 Ingleton Avenue, Burnaby, British Columbia, V5C 5R9; telephone: 604-251-7444. If the principle franchise seller that you have contact with is other than those listed in this paragraph, you should write in the name address and phone of the principle franchise seller here: _____

Issuance Date: September 1, 2023.

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- B Confidentiality Agreement
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- F Table of Contents of Operations Manual
- G Franchise Disclosure Document Questionnaire
- H Form of General Release
- I State Specific Addenda
- J State Effective Dates
- K Receipts

DATE DISCLOSURE DOCUMENT RECEIVED: _____

SIGNED: _____

SIGNED: _____

DATE SIGNED: _____

DATE SIGNED: _____

NAME & TITLE (Please print)

NAME & TITLE (Please print)

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SIGNED: _____

SIGNED: _____

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Address

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2. Also print, sign, and date a copy of the Receipt (with the date that you received this disclosure), and return via mail or fax to us at the address or fax number on the state cover page of this disclosure document.

Attach additional signatures or use additional receipts if necessary. All owners, or two authorized officers or managers, of an entity franchisee must review all documents and sign individually and on behalf of any legal entity.

KEEP THIS COPY FOR YOUR RECORDS