April 15, 2017

FRANCHISE DISCLOSURE DOCUMENT

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Department of
Business Oversight

COMPUTERTOTS, INC.
A Texas Corporation
12715 Telge Road
Cypress, Texas 77429
(888) 280-2053
www.computerexplorers.com

The Franchise offered is for a business which provides computer education programs and related services under the name COMPUTER EXPLORERS.

The total investment necessary to be made in a COMPUTER EXPLORERS franchise is estimated between $47,045 and $57,220. This includes $32,000 that is to be paid to the franchisor.

This Franchise Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise Disclosure Document at least fourteen (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 or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Franchise Disclosure Document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact the Franchise Development Support Manager at 12715 Telge Road, Cypress, Texas 77429 and (281) 256-4256.

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

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your individual state. Consult your state agencies for further information.

Issuance Date: April 15, 2017

STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO ARBITRATE WITH US EXCLUSIVELY IN TEXAS AND GRANT US THE RIGHT TO LITIGATE IN TEXAS. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY COST YOU MORE TO ARBITRATE OR DEFEND LITIGATION IN TEXAS THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS THE LAWS IN YOUR HOME STATE. YOU MAY WANT TO COMPARE THESE LAWS.

3. TO RETAIN THE FRANCHISE, YOU MUST MEET THE MINIMUM ANNUAL GROSS SALES QUOTAS.

4. THE SPOUSAL RESTRICTION AGREEMENT DOES REQUIRE THE FRANCHISEE'S SPOUSE TO GUARANTY ALL PERFORMANCE AND OBLIGATIONS UNDER THE FRANCHISE AGREEMENT IF THE FRANCHISEE'S SPOUSE RECEIVES, VOLUNTARILY OR INVOLUNTARILY, ANY STOCK IN THE CORPORATION HOLDING OWNERSHIP OF THE FRANCHISE. IN THE EVENT THIS OCCURS, THE PERSONAL ASSETS OF THE SPOUSE AND THE MARITAL ASSETS ARE AT EQUAL RISK AS THOSE OF THE FRANCHISEE IN WHOSE NAME THE STOCK OF THE CORPORATION WAS INITIALLY ISSUED.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The effective dates of this Disclosure Document are shown in Exhibit B to this document.

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EXHIBITS

Applicable state law may require additional disclosures related to the information contained in this Franchise Disclosure Document. These additional disclosures, if any, appear in Exhibit F.

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

Terminology

To simplify the language in this Disclosure Document, "We," "Us," "Our," or "CT" means Computertots, Inc., the franchisor. "You or Your" means the person who buys the franchise and includes your owners if you are a corporation, partnership or other business entity.

The Franchisor and Predecessor

We are a Texas corporation formed on August 18, 2003. Our principal business address is 12715 Telge Road, Cypress, Texas 77429. Our incorporated name is Computertots, Inc. We offer COMPUTER EXPLORER franchises. Other than doing business under COMPUTER EXPLORERS and its trademarks, which include TechStars, we do not do business under any other names. We reserve the right to co-brand one or more of our trademarks and franchise systems with an affiliate or non-affiliate system in the future. We currently have 16 franchised territories. Since June 2012 we have operated one company-owned territory.

On August 27, 2003, CT purchased all of the existing COMPUTER EXPLORERS Franchise Agreements and the rights to continue operating the franchise system from ECW Corporation, our predecessor.

Our predecessor ECW Corporation was a Virginia corporation formed on June 28, 1988. They did business as ECW Corporation, COMPUTERTOTS and COMPUTER EXPLORERS and began offering COMPUTERTOTS and COMPUTER EXPLORERS franchises in 1988. Their principal business address was 10132 Colvin Run Road, Great Falls, Virginia 22066. They had no predecessors or affiliates. In the United States, they did not engage in any other line of business and did not offer franchises in any other line of business. They operated a business of the type being franchised from 1988 to 1991, and owned a partial interest in that business from 1991 to 1994, but did not operate a business of the type being franchised after that. The founders of our predecessor, Karen S. Marshall and Mary C. Rogers, operated a business of the type being franchised from 1984 to 1988.

Our agents for service of process are listed in Exhibit B to this Disclosure Document.

The Parent and Affiliates

We are a wholly owned subsidiary of International Center for Entrepreneurial Development, Inc., (ICED). ICED is also the parent company for subsidiaries Kwik Kopy Corporation, American Wholesale Thermographers, Inc., The Ink Well of America, Inc., Franklin's Systems, Inc., Kwik Kopy Business Centers, Inc. and Telge Leasing, Inc. All companies have the same principal address at 12715 Telge Road, Cypress, Texas 77429. Except for Telge Leasing, Inc., these subsidiaries offer franchises under other trademarks. ICED and these subsidiaries, except for Telge Leasing, Inc., will be referred to as affiliates in this Disclosure Document. Many of the support services and functions you are offered are substantially the same and commonly administered through the franchisor, the parent company and affiliated subsidiaries.

Kwik Kopy Corporation has offered franchises since 1969 and provides printing reproduction and related services. Kwik Kopy Corporation has 40 domestic franchises. American Wholesale Thermographers, Inc. has offered franchises since 1982 and offers specialty wholesale printing. American Wholesale Thermographers, Inc. has 5 franchises. The Ink Well of America, Inc. has offered franchises since 1981 and offers printing, reproduction and related services. The Ink Well of America, Inc. has 5 franchises. Franklin's Systems, Inc. has offered franchises since 1977 and offers printing, reproduction and related services. Franklin's Systems, Inc. has 4 franchises. Kwik Kopy Business Centers, Inc. started offering franchises in 2001 and provides printing services, reproduction services, packaging and shipping services, and other related services. Kwik Kopy Business Centers, Inc. currently has 18 franchises. Telge Leasing, Inc. has offered equipment lending and other financing to existing franchisees of the ICED subsidiaries since 2002. None of the affiliated Franchisors offer or operate businesses of the type being offered in this Disclosure Document.

In the United States, we have not engaged in any other line of business and have not offered franchises in any other line of business. We have three international master licensees for three countries. A master licensee is granted the right to operate a COMPUTER EXPLORERS business in a country or countries as a franchisor. Our predecessor first granted an international master license in 1994. All U.S. Franchises and the international master licensees were assigned to us when we acquired ECW Corporation's assets in 2003.

Information About our Business and Franchise Being Offered

We offer a franchise model for businesses that provide technology educational programs for children under the trademark and trade name COMPUTER EXPLORERS®. You will be the owner of the franchised business, with a staff that you decide to employ to assist in the teaching and operations of the business.

You will present programs at facilities – day care centers, schools, libraries, community centers and retail stores – operated by others. You must introduce your programs to the operators of those facilities before presenting programs to children at the facilities. You are not required to operate your own educational facility, although in some instances, you may choose to do so.

You must operate the franchised business according to our standards and specifications, and sign our standard Franchise Agreement (the "Franchise Agreement") and related agreements attached as exhibits to this Disclosure Document.

You will compete with other local, regional and national companies offering other technology educational programs for children.

The market for technology educational programs for children is developed in some major metropolitan areas but is undeveloped in other areas. Before signing a Franchise Agreement, you will be expected to survey your market to determine the number of competitors, the number of facilities and children they are likely servicing, and the perceived quality of their programs and materials.

We are not aware of any laws or regulations specific to the operation of technology educational programs for children, although you must comply with all local, state and federal laws and regulations applicable to the operation of any business. We urge you to inquire about these laws and regulations.

ITEM 2. BUSINESS EXPERIENCE

Officers, Directors and Other Persons Affiliated with the Franchisor

President and Director: Stephen B. Hammerstein
Mr. Hammerstein has been Director of Computertots, Inc. d/b/a COMPUTER EXPLORERS since August 2003 and President of Computertots, Inc. d/b/a COMPUTER EXPLORERS since 2014. He has also been Director of Kwik Kopy Business Centers, Inc. since September 2001, Director of American Wholesale Thermographers, Inc. since June 2001, Director of The Ink Well of America, Inc. since March 1992, Director of Franklin's Systems, Inc. since October 2009, and Director of Kwik Kopy Corporation since July 1984. He has been Chairman and CEO of ICED, Inc. since April 2011, having served as President and CEO since July 1994. He has been Director of ICED, Inc. since February 1992, and serves on the ICED, Inc. Board of Directors. All are located in Cypress, Texas.

Vice-President: Lorri Wyndham
Ms. Wyndham has been Vice-President of Computer Explorers since February 2016. She has been Franchise Support Specialist and Manager of Center Development for Computer Explorers since January 2014. Ms. Wyndham was Marketing and Training Consultant for Computer Explorers from September 2013 to January 2014. She was also Operations Coordinator for Computer Explorers from April 2006 to June 2013. All are located in Cypress, Texas.

Treasurer: Richard L. "Pat" Denison
Mr. Denison has been President of ICED, Inc. since February 2014, and Treasurer of ICED, Inc. and its subsidiaries since November 2014. He was Director of Real Estate and Facilities Management from January 2013 through February 2014. All are located in Cypress, Texas. He was also President of Coventry Investment Group, Inc., located in Houston, Texas, from 1993 until January 2013.

Assistant Corporate Secretary: Pamela Hugo
Ms. Hugo has been Assistant Corporate Secretary of ICED, Inc. since November 2014. She has also been Legal Assistant for ICED, Inc. since August 2005, and Payroll Coordinator for ICED, Inc. since April 2013. Ms. Hugo was Human Resources and Payroll Assistant for ICED, Inc. from January 1998 through August 2005. All are located in Cypress, Texas.

ITEM 3. LITIGATION
(Of Franchisor and Parent Company)

Litigation Against Franchisees in the Last Fiscal Year

During fiscal year 2016, three (3) suits were initiated against franchisees and former franchisees as follows:

Suits to collect franchise service fee payments, enforce in-term obligations and restrictions and to enforce the covenant not to compete:

Kwik Kopy Business Centers, Inc. vs. Manish Patel and Rhynika, Inc.; in the 215th Judicial District, Harris County, Texas, Cause Number 2016-52399. Filed on August 8, 2016. Kwik Kopy Business Centers, Inc. terminated Defendants' Franchise Agreement due to default. Kwik Kopy Business Centers, Inc. subsequently filed suit alleging breach of contract and trademark infringement. Defendants filed an answer to the suit on or about September 30, 2016 denying all material allegations. Kwik Kopy Business Centers, Inc. seeks damages in excess of $118,507.00 for past due franchise service fees. This litigation is currently pending.

The Ink Well of America, Inc. vs. Peter W. Wefel and Molly M. Wefel; in the 269th Judicial District, Harris County, Texas, Cause Number 2016-46636. Filed July 14, 2016. The Ink Well of America, Inc. terminated Defendants' Franchise Agreement due to default. The Ink Well of America, Inc. subsequently filed suit alleging breach of contract, violation of the covenant not to compete and trademark infringement. The Ink Well of America, Inc. seeks damages in excess of $39,741.60 for past due continuing royalty payments (also referred to as "franchise service fees"), plus damages for its other claims. This litigation is currently pending.

Suits to enforce the covenant not to compete and other end of term obligations and restrictions after expiration of the franchise agreement:

Kwik Kopy Corporation vs. Jebrimax, LLC, Jeffrey Richardson, Brian Richardson, Maxine Richardson, S. Dennedy Enterprises, LLC d/b/a Blue Ash Design/Printing, and Sean Patrick Dennedy; in the 129th Judicial District, Harris County, Texas, Cause Number 2016-15931. Filed March 11, 2016. The Franchise Agreement for Jebrimax, LLC, Jeffrey Richardson, Brian Richardson and Maxine Richardson (Jebrimax Defendants) expired October 22, 2015. Upon expiration of Jebrimax Defendants' Franchise Agreement, Jebrimax Defendants were required to return to Kwik Kopy Corporation all technical and business materials resulting from operation under their franchise agreement. Instead of returning the materials to Kwik Kopy Corporation, the Jebrimax Defendants sold the technical and business materials to S. Dennedy Enterprises, Inc. d/b/a Blue Ash Design/Printing, and Sean Patrick Dennedy (Dennedy Defendants). Kwik Kopy Corporation subsequently filed suit alleging breach of contract, conversion and tortious interference with a contract. The parties reached an agreement of settlement and an order of non-suit was signed August 4, 2016.

Other suits:

The Ink Well of America, Inc. vs. Sutton Printing Enterprises, Inc., Robert E. Sutton, Shirley A. Sutton and Steven L. Sutton; in the 11th Judicial District, Harris County, Texas, Cause Number 2015-62256. Filed October 19, 2015. The Ink Well of America, Inc. terminated Defendants' Franchise Agreement due to default. The Ink Well of America, Inc. subsequently filed suit alleging breach of contract, violation of the covenant not to compete and trademark infringement. The Ink Well of America, Inc. sought damages in excess of $147,236.00 for past due continuing royalty payments (also referred to as "franchise service fees"), plus damages for its other claims. Defendants filed an answer to the suit on or about January 4, 2016 asserting The Ink Well of America, Inc.'s claims are false, misleading and untrue. Defendant Steven L. Sutton filed a special appearance challenging personal jurisdiction, which was denied on February 2, 2016. The parties have fully settled and resolved the claims and disputes of this lawsuit. A join notice of non-suit was filed and the order of dismissal was signed October 7, 2016.

Other than these actions, no other litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

All franchisees pay a total of $32,000 in initial fees to us when granted one standard territory which is categorized as follows:

FEE	AMOUNT	WHEN DUE	REFUND
Initial Franchise Fee for one standard territory.	$17,500[1]	When the Franchise Agreement is signed.	Balance returned after we deduct our expenses, including any fees paid to a franchise referral service and any sales commissions paid, if we decide to rescind due to your failure to successfully complete the pre-training program or one or more classroom/lab training classes. You must also sign a general release in exchange for the refund. There are no other circumstances when the initial fees are refundable.
Deposit	($2,500)	$2,500 as a deposit when you send the franchise acceptance letter. The deposit will be applied to your Initial Franchise Fee.	Balance returned after we deduct our expenses if you cancel in writing before signing the Franchise Agreements.
Start-Up and Pre-Paid Operating Fee per standard territory	$14,500[2]	Ten business days before pre-training begins. *	Same circumstances as the $17,500 above.
TOTAL	**$32,000**		

Initial fees are not refundable except as described above and are uniform as among franchisees.

* Payment of start-up & pre-paid operating fees for each additional standard territory granted, if any, is made when development for each additional standard territory is scheduled to begin.

<u>VetFran Discount</u>

We are a member of the International Franchise Association (IFA) and participate in the IFA's VetFran Program. If you are an honorably discharged veteran who meets our qualifications for purchasing a franchise, we will discount the Initial Franchise Fee by 15%.

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[1] See Item 7 for details of all initial fees and payments for services or goods received from us and our affiliates before your business opens. Note that the Initial Franchise Fee is payable in installments. Please see Item 10 for details on financing.

[2] The Start-Up and Pre-Paid Operating Fee is the amount paid to us for the three to four week pre-training and materials, costs associated with up to two weeks of classroom/lab training for two people, loan of manuals, training videos, breakfast and lunch during training days, marketing assistance and materials, supplies and inventory, travel costs incurred with trainer visits, and other costs incurred in helping you set up your business. The package includes a one-year direct mail campaign, up to five days in your territory with an approved trainer, business cards, letterhead, envelopes, recruitment assistance for initial staff, marketing brochures, videos, table top display and thank-you note cards. This fee is payable as a lump sum.

ITEM 6. OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Continuing Franchise Service Fee (Note 1)	8% of Gross Sales*. A monthly minimum is applied after the first year of the franchise relationship (Note 2)	Payable monthly by tenth day of each month	See Paragraph 5.04 of the Franchise Agreement
Advertising and promotional contribution (Note 1)	1% of Gross Sales* or $75 per month, whichever is higher.	Payable monthly by tenth day of each month	We administer a system-wide advertising and promotional fund
Remedial or follow-up classroom/lab training (Notes 1 & 3)	Currently $500 per person per day (Note 4)	Before day one of classroom/lab training	You or your manager(s) must attend this classroom/lab training if we decide it is necessary
Initial training of replacement manager (Notes 1 & 3)	Currently $4,000 (Note 4)	Before day one of classroom/lab training	No fee if classroom/lab training is required less frequently than every two years
Field assistance (Note 1)	Currently $500 per day (Note 4)	Before day one of scheduled assistance	This fee is for field assistance you need or request
Advanced Training and Additional Seminars & Conference (Note 1 & 4)	Varies under circumstances $100 - $500	Before classroom/ lab training or as otherwise specified by CT.	Available to existing franchisees who wish to offer additional programs. May be required in some cases.
Operations Manuals (Note 1)	Currently $600 (Note 4)	Before shipment	Cost of replacement copy
Renewal (Note 1)	5% of then-current initial franchise fee for a comparable territory	On signing of successor Franchise Agreement	See Paragraph 6.02 of the Franchise Agreement
Late Payment of Franchise Service Fee (Note 1)	Up to 5% of the Franchise Service Fee for each month the Franchise Service Fee is late.	Immediately upon invoice	See Paragraph 5.07 of Franchise Agreement
Reimbursements and penalty fees (Note 1)	Will vary under circumstances $25 - $100	When billed	Reimbursements on returned checks, declined charges and similar defaults; penalty fees on those defaults and on unpaid invoices

Type of Fee (1)	Amount	Due Date	Remarks
Audit (Note 1)	All expenses incurred by CT if you fail to submit a Sales Report within 45 days from date it is due; or if an audit is required to be re-scheduled due to your lack of preparation or poor condition of your records; or if the audit establishes your failure to report sales or pay any Franchise Service Fees by at least 2% of that which should have been reported or paid. In these events, we estimate the expenses incurred to be between $100 and $2,500.	Immediately upon invoice	See Paragraph 4.16 of the Franchise Agreement
Record keeping Website support fee (Note 1 & 5)	Currently $45 per month (Note 4)	Payable monthly by tenth day of each month	Covers the costs of upgrades, development and support for our proprietary record keeping Website (CEMS 360). The monthly amount may increase.
Indemnification (Note 1)	Will vary under circumstances and is dependent on type of claim	As incurred	You must reimburse us if we are held liable for claims involving the operation of your franchised business
Other Business Authorized or Not Authorized and Engaged in at your Territory (Note 1)	Same as and included with Franchise Service Fee described above	Tenth day of the month following the month for which Franchise Service Fee is due	See Paragraph 4.09 of Franchise Agreement
Late Sales Report (Note 1)	Up to 5% of the Franchise Service Fee for each month the Sales Report is late	Immediately upon invoice	See Paragraph 5.06 of Franchise Agreement
Registration fees and other fees related to specific programs (Note 1)	As may be determined by CT to help defray costs of seminars, conference and other programs. Typically, these fees run between $100 and $500.	Upon invoice or as otherwise specified by CT.	See Paragraphs 2.11 and 3.28 of the Franchise Agreement.
Non-Sufficient Funds or Related Bank Charges and Fees Incurred by CT due to Non-Sufficient Funds or a Closed Bank Account (Note 1)	All expenses incurred by CT related to such occurrence. We estimate these expenses to be $25 - $100.	Immediately upon invoice	See Paragraph 5.07 of Franchise Agreement

Type of Fee (1)	Amount	Due Date	Remarks
Insurance Reimbursement (Note 1)	All costs of premiums paid by CT to secure insurance for you if you fail to obtain insurance required under Paragraphs 7.01 or 7.02 of the Franchise Agreement. Six months' costs of premium typically run between $650 and $2,800.	Immediately upon invoice	See Paragraph 7.06 of Franchise Agreement
Transfer Fee for Sale or Transfer of your CT territory (Note 1 & 6)	We charge to administer the transfer, all start-up materials and supplies, marketing assistance and classroom/lab training of the transferee, including two meals per day. Our current transfer fee is $10,000.	Before signing a Franchise Agreement and other transfer-related documents with the transferee and providing classroom/lab training to the transferee	See Paragraph 9.03(g) of Franchise Agreement
Transfer Fee for Assigning your Interest in the Franchise Agreement to a Corporation Owned by you (Note 1)	Currently we do not charge a fee for administration of the transfer	Before signing transfer - related documents with the transferor and transferee	See Paragraph 9.06(b) of Franchise Agreement
Costs of Indemnification (Note 1)	All our costs and expenses for claims, liabilities, attorney's fees and other costs for which you have indemnified us. This can typically run anywhere from $100 – $5,000, dependent on the circumstances.	Immediately upon invoice	See Paragraphs 3.14, 7.03, 15.01 and 15.07 Franchise Agreement

Notes:

1. All fees are uniformly imposed and collected by and payable only to us. All fees are non-refundable. In addition to fees, you may be required to purchase certain items from us.

2. The continuing franchise fee monthly minimums for a standard territory are:

Year 1	No Minimum
Year 2 - 15	$500

Year 2 will start on the one year anniversary of the date we signed the Franchise Agreement.

Higher monthly minimums may be established if the territory stated in your Franchise Agreement is larger than our then-standard territory or if you elect to market additional programs. As of the date of this Disclosure Document, we have not established any higher monthly minimums.

* "Gross Sales" include all receipts of your business, including all class fees (whether for students or for teachers), registration fees, late charges, other amounts received or charged, the value of all services or products received for services provided or products sold, whether for cash or barter, or

on a charge, credit or time basis, excluding excise, sales and use taxes, gross receipts taxes or similar taxes you pay based on sale, if those taxes are separately stated when the client is charged, and also excluding bona fide refunds, allowances or discounts to clients.

3. For all classroom/lab training in Item 6, you must pay for your travel, lodging and meal expenses and for your trainees' and attendees' salaries and benefits and their travel, lodging and meal expenses. If you request our trainers or if they must travel to give you training, you must pay us the then-current per diem charges for those trainers and must reimburse us for their actual and reasonable travel, lodging and meal expenses.

4. These fees are subject to change, but not so as to unreasonably increase your obligations. For example, we may develop new classroom/lab training courses that may require fees different from those currently charged.

5. We have developed a Web-based system (CEMS 360) to assist our franchisees in managing their accounting and record keeping for students, sites, teachers and software.

6. We do not charge you for forwarding you qualified leads we receive directly. If we receive a qualified lead through a third-party franchise consultant we have engaged for the purpose of selling new territories, and the qualified lead becomes the purchaser of your franchise, there may be a fee payable to the franchise consultant by you.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Franchise Fee	$17,500 (Note 1)	Lump sum	$2,500 deposit when you sign franchise acceptance letter. Balance is due when the Franchise Agreement is signed	Us
Start-Up and Pre-Paid Operating Fee	$14,500 (Note 2)	Lump Sum	Ten business days before pre-training	Us
Classroom/Field-Related Expenses	$2,000 – $3,000 (Note 3)	As incurred	Before and as incurred throughout classroom/lab training.	Airline, lodging, restaurant, employee, etc.
Required Equipment Software and Supplies	$4,075 – $7,050 (Note 4)	As agreed	As incurred	Third party suppliers
Proprietary record keeping software fee (for first six months)	$270 (Note 4)	As agreed	As incurred	Us
Business/license permits, etc. (for first six months)	$50 – $100	As agreed	As incurred	Third party suppliers
Insurance (for first six months)	$650 – $2,800 (Note 5)	As agreed	As incurred	Third party suppliers
Additional Funds – Assuming no commercial office (for first 6-12 months)	$8,000 – $12,000 (Note 6)	As agreed	As incurred	Third party suppliers
TOTALS:	**$47,045 - $57,220 (Note 7)**			

NOTES:

***OTHER THAN FEES PAID TO US, ALL COSTS AND EXPENSES RELATED TO YOUR INITIAL INVESTMENT ARE ESTIMATES ONLY. Other than the fees noted in footnote 1 below, all fees are non-refundable unless otherwise negotiated with third parties.** There are many factors that will influence your total project costs. Such as region; the time of year; the number of clients being served; sales promotions; how much you follow our methods and procedures; your management experience and acumen; local economic conditions; the local market for our service and products, the prevailing wage rate; competition; and the sales level that you reach during the initial phase of your franchised business. The estimate does not include any allowance for an owner's draw. The estimated initial investment and other estimates in this Disclosure Document do not take into account your personal living expenses, any debt service needs, ongoing working capital requirements, accounts receivable financing or other costs. The following notes are intended to summarize and clarify assumptions we have used to estimate costs and expenses needed to begin operations. You should fully investigate each cost item, discuss with your business advisor and modify the amount accordingly in your individual business plan.

1. You must pay the Initial Franchise Fee and the Start-Up and Pre-Paid Operating Fee.

2. The Start-Up and Pre-Paid Operating Fee is paid to us for three to four weeks pre-training materials, costs associated with up to two weeks of classroom/lab training for two people, loan of manuals, training videos, breakfast and lunch during training days and other costs incurred in helping you set up your business. The package includes a one-year direct mail campaign, up to five days in your territory with an approved trainer, business cards, letterhead, envelopes, recruitment assistance for initial staff, marketing brochures, videos, table top display and thank you note cards. See Item 5 for deposits and conditions for refund.

3. Classroom/Lab Training Related Expense. Our estimate of the costs you will incur for two persons to attend up to two weeks of classroom/lab training. It includes estimated airfare to our training facility, lodging, miscellaneous living expenses and some shipping costs.

4. Required Equipment, Software and Supplies. You must use our proprietary record keeping Website (CEMS 360). Equipment consists primarily of computer hardware. No equipment maintenance contracts or upgrade fees are included. Prices are subject to change by suppliers without notice. Shipping, delivery and installation charges are not included. Sales tax has not been included and depending on the state where you reside, you may need to pay it.

5. You must get and maintain insurance according to our specifications. Currently, you must maintain comprehensive general liability insurance with a limit of at least $1 million. An estimated annual premium for that insurance is $500 to $2,400. In addition, you must maintain automobile liability insurance with a $500,000 combined single limit or a $250,000/$500,000 split limit, and worker's compensation or similar insurance as required by law on all employees. Most franchisees already carry automobile liability insurance equaling or exceeding the type required, or are able to upgrade their insurance to the type required for an estimated annual cost of $100 to $400. An estimate annual premium for worker's compensation insurance is $200 to $400, based on estimated premium rates of $.50 to $1.00 per $100 of salary paid.

6. You may need these additional funds to operate the franchised business during its six-month initial phase to cover operating expenses that are in excess of typical start-up revenues. These expenses may include marketing, promotional, travel, office supply, printing and telephone expenses, minimum monthly continuing license fees, advertising and promotional contributions and annual conference. We estimate that you can expect to put additional cash in the business during the initial phase, but we cannot estimate or promise when, or whether, you will achieve positive cash flow or profits. We have not provided for capital or other reserve funds necessary for you to reach "break-even", "positive cash flow" or any other financial position.

7. These figures are only estimates. We relied on the extensive experience of its officers, directors and parent company in determining the amount of the additional funds and the prior experience of the predecessor. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

You are not required to lease or purchase a commercial office for the conduct of your business. If you choose to maintain a commercial office, we must approve your proposed lease or purchase agreement and the appearance of the proposed office. Many variables, including region, neighborhood, condition and size, will affect the cost of a commercial office.

** No provision is made in the total initial investment for your personal living expenses and no provision is made for the costs of financing your investment.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must use our proprietary record keeping Website (CEMS 360). The fee for this system, upgrades and support is $45 per month and is subject to change on an annual basis.

You may purchase from us various marketing materials containing our trademarks (brochures, poster, bulletin boards, etc.).

Except for these items and goods and services that are included in the initial fees paid to us when you acquire a franchise, there are no other items that you must purchase from us.

You must purchase or lease certain equipment and supplies meeting our specifications. Also, you must purchase or lease initial equipment and supplies in amounts that we recommend, to use our experience in the business and to provide proper initial planning, training and record keeping. These initial equipment and supplies include items such as an office computer, a teaching computer, and necessary software as outlined in the chart in Item 11 of this Franchise Disclosure Document. It also includes printers for your office and teaching computers, a telephone answering service and/or machine, stationery and business cards.

Specifications that we have formulated for equipment and supplies are in our Operations Manuals. We may modify these specifications on reasonable written notice to you. We will consider your written request for a modification of a specification, if you explain the reason for the requested modification (or for the approval of any equipment or supply we have not previously approved) and provide us with sufficient technical data to enable us to evaluate your request. We will provide you with notification of approval or disapproval within 60 days after receipt of your request. We will approve a request if we determine that a modified specification is appropriate or that any equipment or supply meets our specifications then in effect. We may perform tests to determine if any equipment or supply meets our specifications. We will charge you a fee to cover our out-of-pocket expenses, plus our then-current per diem charges for our personnel, for any required testing.

To ensure adequate insurance coverage, your insurance policies must meet the specifications in Section 7 of the Franchise Agreement. See Note 5 to Item 7 for additional information.

If you choose to maintain a commercial office for your franchised business, we must approve the purchase or lease agreement for, and the appearance of, the office. All signs, logos, emblems or pictorial materials used for the office must conform to our specifications. Also, at least one exterior sign of specified design and size, if permitted by local sign ordinances, must be used for the office.

We currently maintain a list of approved suppliers and criteria for approving suppliers in our Operations Manuals. We may modify this list on reasonable written notice to you. You must purchase all products with our trademarks from these suppliers, who generally will be able to provide you with competitive pricing and convenience of ordering. As to products without our trademarks, you may purchase comparable products meeting our specifications from other suppliers. You may request in writing our approval of additional suppliers. We will grant or revoke approvals of suppliers based on the criteria for approving suppliers in our Operations Manuals, and based on inspections and performance reviews. We may grant approvals of new suppliers or revoke past approvals of suppliers on reasonable written notice to you. We will provide you with written notification of the approval or disapproval of a supplier you propose within 60 days after receipt of your request. For this approval or disapproval, we may charge you a fee equal to our out-of-pocket expenses, plus the then-current per diem charges for our personnel.

We may derive revenues from certain suppliers that sell products to our franchisees. These revenues may vary from product to product, but generally will range from 5% to 10% of the product's selling price to the franchisee. We may use these revenues to offset our operating expenses.

We purchased COMPUTER EXPLORERS on August 31, 2003. In Computertots, Inc.'s fiscal year ended December 31, 2016 approximately $720 was derived as revenue from the sale of these products and services to franchisees and represented 0.04% of CT's total revenue. This amount represented 0.02% of ICED's total consolidated revenue for the same fiscal year.

We estimate that the following purchases of services and products will represent the following percentages of your total purchases of services and products to establish and operate your business:

	% of Total to Establish	**% of Total to Operate**
Purchases from us	0 – 5%	0 – 5%
Purchases under our specifications	0 – 20%	25 – 50%
Purchases from approved suppliers	0 – 5%	5 – 10%

We provide no material benefits to you, such as renewal and the granting of additional territories, based on your use of approved suppliers. We have no purchasing or distribution cooperatives.

If you choose to purchase supplies from us, we will attempt to make a reasonable profit from the sale of those items.

We, either directly or through and in association with our parent company and other affiliated companies, negotiate favorable terms with our approved suppliers, which may include but not be limited to advantageous pricing arrangements. Some negotiated pricing is only available to you if you purchase through us or our affiliates. All of our affiliates are considered approved suppliers. Some products and services are sold to franchisees by us and our affiliates at no additional costs above that charged by the supplier. For other products and services an additional charge may be added ranging from 4% to 50% to cover administrative costs and certain value added services sometimes supplied in association with the purchase. While all these purchases are optional, franchisees may find it advantageous to purchase these goods from us and our affiliates due to factors such as cost, convenience and conformity with use. Neither we nor our affiliated companies receive direct payments from suppliers because of transactions with our franchisees.

There is no approved supplier in which any of our officers owns an interest.

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 Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	No obligation imposed	No obligation imposed
b. Pre-opening purchase/leases	2, 3	Items 5, 7, 8
c. Site development and other pre-opening requirements	1, 2, 3 and 4	Items 5, 7, 8, 11
d. Initial and ongoing training	2, 3	Items 5, 7, 11
e. Opening	3	Items 5, 7, 11
f. Fees	3, 5	Items 5, 6, 7
g. Compliances with standards and policies/operating manual	5	Items 8, 11, 16
h. Trademarks and proprietary information	1, 3, 4, 8 and 13	Items 13, 14
i. Restrictions on products/ services offered	1, 2, 3 and 4	Items 8, 16
j. Warranty and customer service requirements	3	Items 8, 15, 16
k. Territorial development and sales quotas	1, 2, 3 and Territory Development Addendum	Items 11, 12

Obligation	Section in Franchise Agreement	Disclosure Document Item
l. Ongoing product/service purchases	1, 2	Item 8
m. Maintenance, appearance, and remodeling requirements	2, 3, 4 and 8	Items 7, 8, 17
n. Insurance	3, 7	Items 6, 8
o. Advertising	5	Items 5, 7, 11
p. Indemnification	3	Item 6
q. Owner's participation/ management/staffing	3, 4 and 9	Items 11, 15
r. Records and reports	3, 4 and 5	Item 6
s. Inspections and audits	3, 4	Items 6, 11
t. Transfer	9	Items 6, 17
u. Renewal	6	Item 6, 17
v. Post-termination obligations	11, 13	Item 17
w. Non-competition covenants	11	Item 17
x. Dispute resolution	14	Item 17
y. Other (Marketing Fee)	5	Item 6

ITEM 10. FINANCING

Financing by the Franchisor

We are under no obligation to offer you any finance arrangements, and we provide no financing to franchisees. At your request, we will help you engage a loan packager and assist you in obtaining third party financing. The availability of financing will be subject to current market conditions and your qualifications. The terms and conditions of any financing will be arranged between you and the third-party lender. However, we will not allow you to assign a security interest in the COMPUTER EXPLORERS franchise or allow a secured party to assume control of the COMPUTER EXPLORERS franchise without our prior written approval. You are not required to waive notice, confess judgment or waive a defense against us. We do not receive direct or indirect payments for placing financing with any third parties. Neither do we guarantee your obligations to any third parties.

You should fully investigate third party financing. You may find that more attractive funding is available to you through a secured or unsecured Line of Credit, SBA 7a loan or 401(K) IRA business financing. Many prospective franchisees consider equity in assets such as real estate to fund their investment. Please discuss your options with your business advisors. Be sure to evaluate the entire cost of each finance offer including up-front fees, processing fees, closing costs, monthly payments, interest rates, down payment, total costs of the loan, collateral required and any other expense associated with an offer. CT is listed on the SBA Franchise Registry, which will ensure expedited loan process for prospective franchisees obtaining SBA financing.

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

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

Our Pre-Opening Obligations to You

Before you open your business, we will provide you with:

1. Teaching software, all current curriculum for Windows and Macintosh operating systems, and other materials for establishing your business (Franchise Agreement – Paragraph 3.25).

2. A three to four-week pre-training program of material provided by us for study at home.

3. Initial classroom/lab training for a maximum of two persons at a location we determine. Currently, this classroom/lab training is held in the Houston, Texas area. This classroom/lab training lasts up to ten business days (Franchise Agreement – Paragraph 2.01).

4. For each individual attending initial classroom/lab training, lend one set of the Operations Manuals and other manuals, catalogs and materials (Franchise Agreement – Paragraph 2.08; See "Operations Manual" as an exhibit to this Disclosure Document).

5. Specifications for equipment, supplies and services to be used under our system (Franchise Agreement – Paragraph 2.06).

6. Samples of initial advertising and marketing materials (Franchise Agreement – Paragraph 2.09).

7. Reasonable assistance in obtaining equipment and supplies (Franchise Agreement – Paragraph 2.06).

8. Assistance with soliciting employees (Franchise Agreement – Paragraph 2.10).

9. If we fail to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within forty-five (45) days of the delivery date stated in your contract, you have the right to notify us in writing and demand that the contract be cancelled.

Commercial Office Site Selection

You are not required to maintain a commercial office for the operation of the franchised business.

Initially, we approve a territory within which you must promote our programs. The territory is determined on the basis of factors such as population density, market statistics, day care and pre-school locations, and community sites. After a territory has been approved, if you choose to open a commercial office site, it must be within that territory. We may, but are not obligated to, assist you in locating an office site. We will approve or disapprove a proposed site within 60 days after you propose it in writing with appropriate documentation as stated in the Operations Manuals. If we disapprove a site, you must locate another site.

Time to Open

You must open the franchise business on the first business day following successful completion of initial training. Should circumstances beyond your control prevent you from opening on this scheduled date, you must provide us with a written request to delay opening prior to the start of initial classroom/lab training. Your request must state the following: (1) that a delay is anticipated; (2) the reasons that caused the delay; (3) the efforts that you are making to proceed with the opening; and (4) an anticipated opening date. In considering the request, we will not unreasonably withhold our consent to delay, up to a maximum period of 60 days, if you have been diligently pursuing the opening. If we consent to the delay, classroom/lab training may also be delayed at our sole option.

The typical length of time between the signing of a Franchise Agreement and the opening of a franchised business is 45 to 90 days. Factors that may affect this time period include our training schedule, school year schedules, ability to obtain business licenses and permits, your pre-training performance and determining territory.

Our Obligations To You After Opening

During the operation of your franchised business we will:

1. License you to operate a COMPUTER EXPLORERS franchise business, use our trademarks and receive our advice and assistance (Franchise Agreement – Paragraph 1.01).

2. Pay for your legal defense if someone makes an infringement claim against you because of your use of our trademarks (Franchise Agreement – Paragraph 8.06).

3. Prepare, print, and mail promotional materials to your prospects and potential customers, if requested, as part of our start-up services and for a fee after the initial start-up phase (Franchise Agreement – Paragraph 2.10).

4. Provide you with promotional materials, if requested. These materials are part of our start-up services. These materials are for display and for use while making personal calls and for use in other ways to help you promote and market your business for a fee after the initial start-up phase (Franchise Agreement – Paragraph 2.09).

5. Distribute to you revisions of the Operations Manuals to incorporate improvements and new developments in our system, including improvements in services and products you offer to your clients, and recommended prices. These revisions may be made at any time, but will not unreasonably increase your obligations (Franchise Agreement – Paragraph 2.08).

6. Make available to you initial training of replacement managers at a location that we determine. For replacements made more frequently than once every two years, you must pay training fees (Franchise Agreement – Paragraph 3.02).

7. Administer a system-wide advertising and promotional fund. (Franchise Agreement – Paragraph 5.09).

8. Provide you with assistance programs that we determine are necessary to assist you in operating your COMPUTER EXPLORERS business. We are not obligated to perform these services to your satisfaction and can develop, modify or cancel the programs and change the related fees as we think is in your and our best interest. Depending on the assistance or services provided, there may be a charge to help defray costs of certain services (Franchise Agreement – Paragraph 2.11). As of the date of this Disclosure Document, we provide the following assistance programs:

   a. Advice by toll-free telephone lines (Franchise Agreement – Paragraph 2.11).

   b. Periodic meetings/conferences designed to encourage the exchange of information and new ideas between our franchisees and us. You must pay fees to us for the conferences based on our out-of-pocket cost to hold the conferences (Franchise Agreement – Paragraph 2.11).

   c. Periodic telephone calls to you to offer general assistance (Franchise Agreement – Paragraph 2.11).

   d. At a per diem charge we will furnish additional guidance and assistance relative to the operation of your business. (Franchise Agreement – Paragraph 2.11)

   e. Research and analyze equipment and other products to improve business operations (Franchise Agreement – Paragraph 2.11).

   f. A website. You are responsible for acquiring the necessary hardware and software to use the website (Franchise Agreement – Paragraph 2.11).

Advertising Program

You must participate in a system-wide advertising promotional fund. The fund may advertise in print, direct mail, publicity posters, brochures, coupons, presentation booklets, the Internet and similar media. The coverage of the media may be local, regional or national. We manage the preparation of advertisements, promotional materials and publicity in-house, but may use a regional or national advertising agency to produce materials.

All franchisees and all company-owned businesses (if any) will contribute equally to the fund. Contributions are currently 1% of monthly gross sales, subject to a minimum of $75. We will administer the fund and, on your request, make an annual unaudited financial statement available for your review 90 to 120 days following the year-end. We will not use contributions to the fund or any associated earnings for soliciting the sale of franchises. Other than reimbursement for reasonable costs and overhead incurred in activities for the administration or direction of the fund, neither any affiliate nor we will receive any payment for providing services or products to the fund. If we spend more than the contributions accumulated in the fund during any fiscal year, we have the right to receive, on demand, reimbursement in later years to the extent of the excess expenditure.

The focus of the advertising and promotion will be to maximize general public recognition and acceptance of the COMPUTER EXPLORERS system. We intend to utilize the fund as described above, but we may use the fund exclusively to meet the costs of researching, preparing, maintaining, administering and directing advertising and promotional materials and programs (including the costs of preparing and conducting television, radio, magazine, newspaper, direct mail and coupon advertising campaigns and other public relations activities; employing advertising agencies; providing a toll-free number for prospective parents and site directors to call for referral purposes; and providing promotional brochures and other marketing materials to franchisees in the System).

The administration of the fund was transferred to us on August 31, 2003. During the year 2016, 100% of the expenditures from the fund were for advertising and marketing.

We are not required to spend any amount from the fund on advertising or promotions in your territory. If any contributions to the fund, including any associated earnings, are not spent in the fiscal year in which they accrue, they will remain in the fund for use in following years. You will receive periodic accountings of how these contributions are spent. We reserve the right to terminate the fund at any time, but we will not do so until all monies in the fund have been spent for the purposes described in the Franchise Agreement or returned to contributors on a prorated basis.

A council of franchisees advises us on advertising and promotional policies. Franchisees elect the member of the council. The council is advisory and has no operations or decision making power. We may not change or dissolve the council, which operates under its own bylaws.

You may use your own advertising and promotional materials: if they are dignified and conform to specification in our Operations Manuals; and if (a) we have approved the materials in writing before their use, or (b) you have submitted samples to us and we have not disapproved the samples in writing within ten days after their receipt. You may not have your own website. We have registered the domain names www.computertots.com and www.computerexplorers.com. We will list your business on our corporate website.

You are not required to spend any amount on advertising in your territory. You are not required to participate in a local or regional advertising cooperative.

Computer System You Will Need

You must purchase a personal computer, according to the standards listed in the operations manual, for accounting and record keeping.

You also must purchase and use teaching software that we specify. You must upgrade or replace this software as we specify. We estimate that the annual cost of upgrading and replacing this software will be about $1,200.

We may assist you in obtaining these items and services, but we are not obligated to do so.

We recommend that you acquire the following computer equipment for your business:

Desktop Computer and Software	Laptop & Software Package
• 3rd Gen Intel Core™ i5-3470 Processor (Quad Core, 6MB, 3.20 GHz) or equivalent • Windows 8 Professional or later • Latest Version of Microsoft Office • 4GB DDR2 SDRAM at 1600 MHz • 250GB SATA Hard Drive • Integrated Graphics or Video card with 1GB memory • 16X DVD-ROM SATA, Data Only • 3-Year Warranty	• 1.8 - 2.4 GHz Dual Core Processor • 3 GB RAM • 250 GB Hard Drive • CD-RW/DVD • Webcam & eternal microphones • Mouse/Keyboard • 13.5" - 15" Screen • 1-Year Hardware Warranty • Built-in Wireless • Carrying Case

You must maintain your monthly record keeping of students, sites, teachers and teaching software on a proprietary Web-based system (CEMS 360). We must provide you with updates and support for the system. We charge you a $45 monthly fee for upgrading and supporting the system. The fee is payable on the tenth day of the month for the preceding month and is subject to change on an annual basis.

The accounting system generates, and we will collect, accounting and record-keeping information for students, sites, actual receipts and teachers. There are not contractual limitations on our right to access the data.

You must subscribe to an on-line computer network. Your subscription to the on-line computer network will permit you to connect on-line with franchisees and our home office to gather information, exchange ideas and transfer data.

See Section 3.25 of the Franchise Agreement for additional information.

Operations Manual Table of Contents

Marketing Sales & Communications Manual – 143 pages
Introduction
Implementation Guide
Sales
Communications

Teacher Training InService – 100 pages
InService Lesson Plans

Your Training

TRAINING PROGRAM			
Subject	**Available Hours of Classroom/Lab Training**	**Hours of On-The-Job Training**	**Location**
Use of Curriculum Training	19 hours	Not Applicable	Classroom training is conducted at ICED facilities in Cypress, Texas
The Teaching Process	16 hours		
Sales and Marketing	25 hours		
Business Operations	24 hours		
Total Hours	**84 hours**		

Training includes a three to four-week pre-training program. You will be receiving software, books, CDs, DVDs and/or exercises to complete prior to classroom training. It also includes up to ten business days of classroom and lab instruction at the ICED headquarters in Cypress, Texas. The pre-training program must be satisfactorily completed before classroom/lab training begins. As reflected in the preceding chart, classroom/lab training includes instruction in CT software and curriculum, teaching techniques, financial planning of the business, business administration and operation, marketing and sales.

1. You must successfully complete initial classroom/lab training at a location we designate in the Houston, Texas area. This classroom/lab training begins after you have satisfactorily completed our pre-training programs and generally within 90 days after your Franchise Agreement is signed. It lasts up to ten business days. We generally develop training schedules at the beginning of each quarter for that quarter. Franchisees may choose to train an additional person.

2. Initial classroom/lab training concludes just before the projected opening of the franchised business.

You must successfully complete the classroom/lab training program to our satisfaction. Otherwise we have the option to require that you repeat the classroom/lab training until successful completion, which shall be at your cost, or we have the option to rescind the Franchise Agreement. You are permitted to begin classroom/lab training only after you have signed the Franchise Agreement.

3. You must attend a national or international conference/seminar we schedule and conduct periodically, and you will be charged the conference fee. The focus of the conference/seminar generally will be discussion and review of the new business, marketing and educational ideas and concepts.

4. You (or your managing principal) and/or any previously trained managers must attend any refresher or follow-up classroom/lab training that we designate, and you must pay the applicable fees for this classroom/lab training, currently $500 per person per day.

5. You must pay travel and miscellaneous living expenses for trainees and any compensation or benefits due trainees during any classroom/lab training period. You will be charged for remedial or follow-up classroom/lab training, currently $500 per person per day.

6. Classroom/lab training for replacement managers of franchises or transferees of the franchised business is required and provided on the same terms as the classroom/lab initial training provided for you, except that if there is a replacement of managers more frequently than once every two years, there will be a fee for the training, currently $4,000. Classroom/lab training for replacement managers and transferees will occur at a time we schedule and may not be available immediately after the replacement manager is hired or the transferee assumes control.

You are permitted to begin the pre-training portion of training only after you have signed the Franchise Agreement.

Typically, training classes are scheduled throughout the year. However, there usually are no training classes during the month of December. The training program includes sessions with our staff and franchisee vendor representatives.

ITEM 12. TERRITORY

We grant you the exclusive marketing rights for a protected exclusive territory generally defined by 5-digit ZIP codes and/or county boundaries. The territory is described in the Development Territory Addendum (see Exhibit J) attached to the Franchise Agreement at the time that you sign your Franchise Agreement.

Territory

A Development Territory includes one or more standard territories. A standard territory is defined based on a total population of 400,000 and an analysis of marketing and demographic data. When designing a standard territory, we also take into account the number of children ages 3-12 and the average and median income levels. The Initial Franchise Fee of $17,500 includes one standard territory.

Sales Quotas

To retain the franchise, you must meet the minimum annual Gross Sales* quotas (which are noncumulative from year to year) stated in the Developmental Territory Addendum to the Franchise Agreement. During the initial term of a Franchise Agreement, those quotas for one standard territory generally are:

Year 1	None
Year 2	$50,000
Year 3	$75,000
Years 4 - 15	$100,000

* "Gross Sales" include all receipts of your business, including all class fees (whether for students or for teachers), registration fees, late charges, other amounts received or charged, the value of all services or products received for services provided or products sold, whether for cash or barter, or on a charge, credit or time basis, excluding excise, sales and use taxes, gross receipts taxes or similar taxes you pay based on sale, if those taxes are separately stated when the client is charged, and also excluding bona fide refunds, allowances or discounts to clients.

When you sign your Franchise Agreement, you may be required to meet higher sales quotas and/or higher continuing franchise fee monthly minimums, if your territory is larger than our then-standard territory or if your territory is made up of two or more standard territories. The higher sales quotas and/or higher continuing franchise fee monthly minimums, if applicable, will be stated in the Development Territory Addendum to the Franchise Agreement.

If you elect to market additional programs that we make available, you may be required to sign an addendum to your Franchise Agreement specifying higher sales quotas and/or higher continuing franchise fee monthly minimums.

If you fail to achieve a sales quota, or fail to pay the required monthly continuing franchise fees we offer you an opportunity to cure to avoid termination of the franchise.

Additional Terms

In exchange for your marketing rights, you may not solicit or provide services or products to clients in other franchisees' territories, and must refer requests for services and products in other franchisees' territories to those franchisees in accordance with procedures stated in the Operations Manuals.

Your exclusive marketing rights restrict us from establishing company-owned outlets or other channels of distribution to offer our technology education programs for 3- to-5-year-old children or 6-years and older children in your protected exclusive territory, and from granting any other franchisee the marketing rights for those programs in your territory. However, we may contact regional, national or international clients with headquarters or locations in your territory for any reason, including promoting the use of programs marketed by our franchisees or us.

We may establish other systems involving similar or dissimilar services or products for persons other than children, or involving dissimilar services or products for 3- to-5-year-old children or 6 years and older children (which programs may or may not include the use of a computer), perhaps involving different trademarks, and may establish company-owned or franchised outlets for those other systems, in the territory. We and our affiliates currently do not operate or franchise, and do not have any plans to operate or franchise, businesses under different trademarks, where the businesses sell services or products similar to those offered by our franchisees' businesses.

On renewal or transfer of a franchise, your territory may be modified. Depending on the then-current demographics of your territory, and on our then-current standards for territories and quotas, if you were granted one standard territory and your territory is larger than our then-current standard territory, we may require you or the transferee to: (a) accept a renewal territory or a transfer territory smaller than your then-current territory, if you or the transferee do not want higher quotas; (b) accept a renewal territory or a transfer territory identical to your then-current territory but with higher quotas; or (c) sign multiple Franchise Agreements with renewal territories or transfer territories and quotas that more closely match our then-current standards for territories and quotas. If you were granted more than one standard territory, we may only require you or the transferee to accept a renewal territory or a transfer territory identical to your then current territory but with higher quotas.

Under the terms of your Franchise Agreement, you acquire the right to develop either one standard territory or more than one standard territory for an extra fee. With our approval, existing franchisees may acquire an additional territory under the terms of a separate Franchise Agreement.

ITEM 13. TRADEMARKS

We grant you the non-exclusive right and obligation to use the trademarks, service marks and trade name COMPUTER EXPLORERS, and other trademarks, service marks, trade names, logos, trade dresses, and other commercial symbols ("trademarks") that we may make available to you, for providing services and products under our system in your territory. Except as we permit in writing, you may not use any trademark, any derivation or modified version of any trademark, or any confusingly similar mark or name: as part of your corporate, partnership, firm or other formal business name, Website address, email address, domain name or other identification in any print, electronic or other medium; or with any prefix, suffix or other modifying word, term, symbol or design. You may not use our trademarks for the sale of unauthorized services or products or in any manner we have not authorized in writing. All rights in and good will from the use of our trademarks accrue solely to us.

The marks are owned by I.C.E.D. Management, Inc., a wholly owned subsidiary of the International Center for Entrepreneurial Development, Inc. (ICED). By license with I.C.E.D. Management, Inc., CT is granted the non-exclusive right to use the marks worldwide. The term is for a period of one (1) year from the date of the License Agreement to be renewed for consecutive one-year periods. The Agreement may be terminated by either party after the expiration of one (1) year but only with six (6) months written notice. The Agreement shall also terminate at the election of either party if the other party breaches or defaults in the performance of any of its obligations under the License Agreement.

The following trademarks ("Marks") are registered on the Principal Register of the U.S. Patent and Trademark Office ("PTO"):

Registration Number	Description of Mark	Principal or Supplemental Register of the United States Patent and Trademark Office	Registration Date
1,531,353	COMPUTERTOTS	Principal	March 21, 1989
3,157,686	COMPUTER EXPLORERS	Principal	October 17, 2006
3,767,000	TECHSTARS	Principal	March 30, 2010
4,440,164	ESTARS	Principal	November 26, 2013
4,465,177	STAR DESIGN	Principal	January 14, 2014
4,544,874	TURTLE and STAR DESIGN	Principal	June 3, 2014

We have filed and intend to file all required affidavits for these principal trademarks. We intend to file renewal applications for these trademarks.

Determinations

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board ("TTAB"), or the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the Marks that are relevant to their use by our franchisees. There are no decided infringement, cancellation or opposition proceedings in which we unsuccessfully fought to prevent registration of a trademark to protect the Marks.

Agreements

There are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks listed in this section in any manner material to the franchise.

Protection of Rights

You must notify us promptly of any use by any person or legal entity other than us or our franchisees, of any of our trademarks or any variation of any of our trademarks.

We will decide the actions to be taken against the use of any of our trademarks by any persons or legal entities other than our franchisees or us. Our current intent is to take strong and progressive actions (that may include bringing litigation) against that use. Any actions that we take will be at our expense.

You must notify us promptly of any litigation brought against you involving any of our trademarks, and you must deliver to us copies of any documents involving the litigation that we request. We will decide whether to settle or defend any trademark litigation brought against you. If we decide to take either action, we will do so at our expense, but you must cooperate with us. If the defense does not involve issues concerning the operation of your franchised business, we will reimburse you for your out-of-pocket costs. If we decide not to defend or settle any trademark litigation brought against you, you must defend or settle the litigation at your expense.

We will indemnify you to the extent that litigation involves defending against infringement or unfair competition if you are using the trademarks in accordance with the Franchise Agreement and the

Operations Manuals and if you give us notice of a claim within 30 days of your learning of that claim.

We may acquire or develop additional trademarks, and may use those trademarks ourselves, make those trademarks available for use by you and other franchisees, or make those trademarks available for use by other persons or entities.

We may modify or provide a substitute for any trademark. If we do, we will be responsible for your cost of compliance. We also may require you to use and display a notice in a form that we approve that you are a franchisee under our system using the trademarks under a Franchise Agreement.

You may not directly or indirectly contest our rights in our trademarks.

Superior Prior Rights and Infringing Uses

We do not know of any superior prior rights or any infringing uses that could materially affect your use of the Marks.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

At present, there are no patents material to the franchise.

Copyrighted materials are not registered with the U.S. Copyright Office. However, we claim proprietary rights and copyright in the materials we develop, create and make available to you, including our Operations Manual, our manuals, and various marketing, sales, training, management and curriculum materials. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for the purpose of promoting your business.

There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringements, opposition or cancellation proceedings or material litigation, involving the copyrighted materials that are relevant to their use by our franchisees.

Our right to use or license their use to you of these materials is not materially limited by any agreement or known infringement use.

All of the provisions in Item 13 under the heading "Protection of Rights" apply to copyrights as well.

Proprietary and Confidential Information

We have proprietary, copyrighted Operations Manuals, and curriculum manuals that include guidelines, standards and policies for the operation of the franchised business. Item 11 describes the Operations Manuals and the manner in which you are permitted to use them. All documents provided to you, including the Operations Manuals, are for your exclusive use during the term of the franchise, and may not be reproduced, lent or shown to any person outside our system.

You are required to keep our proprietary information confidential, and the Franchise Agreement limits the use you and your employees may make of this information to that of your COMPUTER EXPLORERS business.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We strongly believe that the success of your franchised business will depend to a large extent on your personal and continued efforts, supervision and attention. You (or an equivalently trained manager) must personally manage the franchised business at all times. You and any original manager of the franchised business must attend and successfully complete initial training we provide. Any replacement manager also must successfully complete initial training. An original manager or a replacement manager need not have an equity interest in the franchised business.

You must have any manager, and any instructor, supervisory employee or independent contractor, sign an agreement in which he or she acknowledges the confidentiality of our system, agrees not to use any information about the system for his or her own benefit without an appropriate license, and agrees not to compete in certain respects with your business and other franchisees' businesses.

If you are a legal entity, each principal must personally guarantee your obligations under the Franchise Agreement and also must agree to be personally bound by, and personally liable for breach of, every term of the Franchise Agreement.

The Franchise Agreement provides that you agree to use your best efforts to develop a successful business. We recommend you maintain on-premises supervision and participation. You are free to determine your own management and personnel requirements so long as you remain in compliance under the Franchise Agreement. These requirements include ensuring that you and your staff maintain the confidentiality of our proprietary information and only use this information in connection with the operation of your COMPUTER EXPLORERS territory.

It is at your discretion and expense whether to have management personnel or other staff attend CT's classroom/lab training program. Any of your staff who participates in our classroom/ lab training will be required to sign a written confidentiality and non-competition agreement. The manager of your territory need not have an ownership interest in a corporate or partnership franchise.

Each individual who owns any interest in the franchise must guarantee all of your obligations of the "franchise" under the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell only services and products that we have approved or authorized. You may not offer for sale or sell services or products that would detract from or be inconsistent with our system. You may use services or products not purchased from us, but those services or products must be of comparable quality and must be approved by us in writing before use to ensure maintenance of proper quality standards.

We have the right to change the types of services and products that we approve or authorize, if the services and products are compatible with our system. There are no other limits on our right to make these changes.

You must be open for business each week for minimum hours and days as stated in the Operations Manuals.

You may provide services or products to any customers in your territory or in territories not assigned to other franchisees. You may not solicit or provide services or products to customers in territories assigned to other franchisees.

The Franchise Agreement provides that you may not engage in any other business in your COMPUTER EXPLORERS territory other than as defined within the Franchise Agreement unless we consent in writing in advance. You must offer all core products and services which are part of the COMPUTER EXPLORERS program. Our consent shall be effective only so long as any other business does not interfere with the effective operation of your COMPUTER EXPLORERS program and you do not in any way neglect the business of your COMPUTER EXPLORERS program.

The equipment you acquire to perform your services and produce your goods must meet our specifications.

You may not operate or provide COMPUTER EXPLORERS programs outside your territory without our prior written consent.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP		
Provision	**Section in Franchise Agreement**	**Summary**
a. Length of the Franchise Term	Paragraph 6.01	Fifteen years.
b. Renewal or extension of the term	Paragraph 6.02	Option to renew for fifteen years.
c. Requirements for franchisee to renew or extend	Paragraph 6.02	Compliance, notice, sign new standard Franchise Agreement then in effect, upgrade your business in accordance with requirements then in effect of new start-up, payment of renewal fee. The standard Franchise Agreement then in effect may contain materially different terms and conditions than your original contract.
d. Termination by franchisee	Paragraph 12.0	No right is provided to you to terminate the Franchise Agreement.
e. Termination by franchisor without cause	Paragraphs 10.01- 10.04	No right provided for in Franchise Agreement.
f. Termination by franchisor with cause	Paragraphs 10.01 -10.04	Our right to terminate after giving you notice.
g. "Cause" defined – curable defaults	Paragraphs 10.01, 10.02	Failure to pay amounts due, report sales or comply with Franchise Agreement. Maintain image/center appearance.
h. "Cause" defined – non-curable defaults	Paragraphs 10.03, 10.04	Default on premises lease; failure to keep business open; insolvency; non-authorized transfer of business, interest in Franchise Agreement or Marks or assets; misuse of Marks; obstruct retrieval of information.
i. Franchisee's obligations on termination/ nonrenewal	Paragraphs 13.01-13.08	Report and pay all amounts due; de-identification; assign telephone number, business premises; customer and business information; franchise materials; comply with non-compete covenants.

THE FRANCHISE RELATIONSHIP		
Provision	**Section in Franchise Agreement**	**Summary**
j. Assignment of contract by franchisor	Paragraph 9.01	Our right to assign.
k. "Transfer" by franchisee – defined	Paragraphs 9.02-9.10	Sale or transfer of business, incorporation and change of corporate ownership.
l. Franchisor's approval of transfer by franchisee	Paragraphs 9.03, 9.06, 9.08	Our approval is required but we will not unreasonably withhold consent.
m. Conditions for franchisor approval of transfer	Paragraphs 9.03, 9.04, 9.06-9.10	i. Sale of Business: Notice, first option to buy, qualify transferee, releases, new Franchise Agreement and other documents, fees, satisfaction of debts, classroom/lab training, lease transferred, business upgrade. ii. Incorporation or Change in Ownership: Notice, fees, personal obligations, assumption of liabilities, stock restrictions.
n. Franchisor's right of first refusal to acquire franchisee's business	Paragraph 9.04	Offers to be first made to us under same terms and conditions. We have 30 days to accept.
o. Franchisor's option to purchase franchisee's business	Paragraph 9.04	Offers to be first made to us under same terms and conditions. We have 30 days to accept.
p. Death or disability of franchisee	Paragraph 9.05	Applies to death only. Heirs may operate for six months before acquiring or selling under transfer provisions.
q. Non-competition covenants during the term of the franchise	Paragraph 11.01	No association with another similar business in the United States without our approval.
r. Non-competition covenants after the franchise is terminated or expires	Paragraph 11.02	No association with another similar business for two years and within three miles of your or another COMPUTER EXPLORERS territory.
s. Modification of the agreement	Paragraph 15.15	Only in writing signed by all parties.
t. Integration/merger clause	Paragraph 15.13	Nothing in the Franchise Agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

THE FRANCHISE RELATIONSHIP		
Provision	**Section in Franchise Agreement**	**Summary**
u. Dispute resolution by arbitration or mediation	Paragraphs 14.01-14.08	You must notify us of any dispute or claim. After 45 days, we have right to require arbitration.
v. Choice of forum	Paragraph 15.06	State and federal courts in Harris County, Texas. These provisions may be subject to applicable state law. See Exhibit F for information regarding your specific state requirements, if applicable.
w. Choice of law	Paragraph 15.06	Texas law applies. These provisions may be subject to applicable state law.See Exhibit F for information regarding your specific state requirements, if applicable.

ITEM 18. PUBLIC FIGURES

We do not currently 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: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Average Annual Gross Sales
of Franchise Territories
(Territories Reporting for the Full 12 Months in 2014, 2015 and 2016)

	2016	2015	2014
Top Franchise Territory	$331,982	$335,541	$275,803
Average for: *			
Top 10% of Territories	$273,536	$292,955	$264,626
Top 25% of Territories	$215,876	$210,962	$183,264
Top 50% of Territories	$169,351	$164,237	$144,195
Top 75% of Territories	$142,838	$135,313	$119,469
Bottom Franchise Territory	$29,806	$19,972	$10,615
Average for: *			
Bottom 10% of Territories	$44,633	$30,483	$17,431
Bottom 25% of Territories	$53,849	$51,927	$30,382
Bottom 50% of Territories	$65,473	$66,433	$50,199
Bottom 75% of Territories	$78,037	$87,546	$68,508
Average for System	$117,412	$116,746	$95,267

*The percentage is based on the total number of reporting territories. (e.g. with 14 reporting territories, the top 10% = 10% of 14, or the top two reporting territories)

Some territories have sold this amount. Your individual results may differ. There is no assurance you will sell as much.

Records show 24 franchise territories reporting gross sales for the full 12 months of 2014, 19 franchise territories reporting gross sales for the full 12 months of 2015, and 14 franchise territories reporting gross sales for the full 12 months of 2016.

Of the 14 territories operating and reporting to us for a full 12 months in the year 2016, 5 (36%) achieved annual gross sales at or above the average annual gross sales of $117,412 for all 14 reporting territories

Of the 19 territories operating and reporting to us for a full 12 months in the year 2015, 8 (42%) achieved annual gross sales at or above the average annual gross sales of $116,746 for all 19 reporting territories.

Of the 24 territories operating and reporting to us for a full 12 months in the year 2014, 12 (50%) achieved annual gross sales at or above the average annual gross sales of $95,267 for all 24 reporting territories.

The results achieved by franchise territories that did not report gross sales for the full 12 months in any year (such as franchise territories that started operations mid-year), and franchise territories that were transferred and assigned new franchise numbers, are not included in this exhibit. For a period of time, a smaller owner-operated territory model was offered. The offering was discontinued in 2004. One smaller owner-operated model franchise territory is included in the above figures for 2014 and 2015. No smaller owner-operated model franchise territory is included in the above figures for 2016.

Gross sales represent the actual revenues collected by franchise territories and are stated before business expenses are paid. While franchise territories carry varying amounts of receivables, receivables are not included in gross sales. Business expenses such as the following must be paid out of gross sales: salaries and benefits; commercial office rent (not required); continuing franchise fees (6% or 8%, subject to monthly minimums), and advertising and promotional contributions; equipment; office supplies and expenses; travel expenses; amortization; depreciation; and taxes.

The gross sales figures stated in this exhibit are substantiated by unaudited reports submitted to us by our franchisees. Written substantiations for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

The financial performance representations figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

The gross sales figures stated in this item should not be considered as the actual or potential gross sales figures that will be realized by any prospective franchisee.

Your results may differ from those stated above.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

System-wide Outlet Summary
For Years 2014 to 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	36	29	-7
	2015	29	25	-4
	2016	25	16	-9
Company-Owned	2014	1	1	0
	2015	1	1	0
	2016	1	1	0
Total Outlets	2014	37	30	-7
	2015	30	26	-4
	2016	26	17	-9

Transfers of Franchised Outlets From Franchisees to New Owners
(Other than the Franchisor)
For Years 2014 to 2016

State	Year	Number of Transfers
Wisconsin	2014	0
	2015	0
	2016	0
Total	2014	0
	2015	0
	2016	0

Status of Franchised Outlets
For Years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
California	2014	2	0	1	0	0	0	1
	2015	1	0	1	0	0	0	0
	2016	0	0	0	0	0	0	0
Colorado	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Connecticut	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	1	0	0	0	0
Delaware	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Florida	2014	2	0	1	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Illinois	2014	6	0	3	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Louisiana	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Massachusetts	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Michigan	2014	1	0	0	0	0	0	1
	2015	1	0	1	0	0	0	0
	2016	0	0	0	0	0	0	0
Minnesota	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Mississippi	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	1	0	0	0	2
Missouri	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Nevada	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	1	0	0	0	0
New Jersey	2014	5	0	1	0	0	0	4
	2015	4	0	1	0	0	0	3
	2016	3	0	3	0	0	0	0
New York	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	1	1	0	0	1
North Carolina	2014	2	0	0	0	0	0	2
	2015	2	0	1	0	0	0	1
	2016	1	0	1	0	0	0	0
Pennsylvania	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Tennessee	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Wisconsin	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Total	2014	36	0	7	0	0	0	29
	2015	29	0	4	0	0	0	25
	2016	25	0	8	1	0	0	16

Names, addresses and telephone numbers of the United States franchisees are located in Exhibit C to this Disclosure Document. The names, addresses and telephone numbers of franchisees who were terminated, cancelled, not renewed or who have not communicated with the Franchisor within ten weeks of the application date or have otherwise ceased to do business under the Franchise Agreement during the last fiscal year are located in Exhibit D to this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Status of Company-Owned Outlets
For Years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Texas	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Total	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1

Projected Openings as of December 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
California	0	1	0
Colorado	0	1	0
Florida	0	1	0
Texas	0	1	0
Total	0	4	0

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with COMPUTER EXPLORERS. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the last three years, we have not restricted a current or former franchisee from speaking openly about their experience with COMPUTER EXPLORERS.

There are no trademark-specific franchisee organizations associated with this franchise system which have been created, sponsored or endorsed by the franchisor. There are also no trademark-specific franchisee organizations associated with this franchise system which have been incorporated or otherwise organized under state law and have asked the franchisor to be included in their Franchise Disclosure Document.

ITEM 21. FINANCIAL STATEMENTS

ICED's consolidated audited financial statements for December 31, 2016, December 31, 2015, and December 31, 2014 are attached as Exhibit E to this Disclosure Document. Also attached is ICED's unaudited financial statements for the period ending January 31, 2017. THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO

CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM. ICED's fiscal year ends December 31. ICED, our parent company absolutely and unconditionally guarantees to assume the duties and obligations of Computertots, Inc. under the Franchise Agreement. A copy of this guarantee is attached as Exhibit N. If a Guarantee of Performance is required by a state, it is attached in Exhibit F of this Disclosure Document.

ITEM 22. CONTRACTS

Attached as exhibits are copies of all agreements proposed for use or in use in this state for the offering of a COMPUTER EXPLORERS franchise.

The Franchise Agreement, and all relative documents and agreements, are governed by the laws of the State of Texas.

ITEM 23. RECEIPT

The last two pages of this Disclosure Document are detachable documents, the acknowledgment of receipt, which will serve as an acknowledgement by you that you have received a copy of this Disclosure Document. Please sign and date it the day you received this Disclosure Document and return one copy of the receipt to us in the enclosed self-addressed envelope. If the receipt or any other pages or exhibits are missing from your copy, please contact us at the address printed on the first page of this document.

EXHIBIT A

COMPUTER EXPLORERS
FRANCHISE AGREEMENT
AND
FRANCHISE ACCEPTANCE LETTER

FRANCHISE AGREEMENT AND FRANCHISE ACCEPTANCE LETTER
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COMPUTER EXPLORERS
FRANCHISE AGREEMENT

COMPUTER EXPLORERS No.:______________________________

Address:______________________________

City and State:______________________________

Franchisees' Name:______________________________

Telephone Number:______________________________

Effective Date of Agreement:______________________________

Initial Franchise Fee:______________________________

Start-Up and Pre-Paid Operating Fee:______________________________

This Agreement is made by and between Computertots, Inc., a Texas Corporation and a Texas resident including specifically for purposes of Texas Civil Practice and Remedies § 17.042(1), having an office and principal place of business at 12715 Telge Road, Cypress, Texas, 77429, referred to in this Agreement as "CT," and the persons and legal entities listed as Franchisees and referred to in this Agreement individually or collectively as "you" or "your" to evidence the agreements and understanding between the parties as follows:

A. Acknowledgment of Facts and the Parties' Intentions

1. CT is granted the right and license by I.C.E.D. Management to use certain trade names, trademarks, service marks, logos, insignia and the like including the name and mark "Computertots" and "Computer Explorers" and associated logos (referred to as the "Marks").

2. CT has developed and is the owner of certain trade secrets, knowledge, training, confidential information and information related to conducting and providing computer education programs and additional programs for 3 to 5 year olds and 6 year olds and older in day care centers, schools, community centers, retail sites and other locations for persons other than children (referred to as the "System").

3. CT anticipates developing a network of COMPUTER EXPLORERS territories operating under the Marks and utilizing the knowledge and training to provide computer education programs and additional programs.

4. CT provides certain assistance and advice to the COMPUTER EXPLORERS businesses operating under the Marks and utilizing the knowledge and training to provide COMPUTER EXPLORERS computer education programs and additional programs.

5. CT has promoted the Marks in connection with the knowledge and training to provide COMPUTER EXPLORERS computer education programs and additional programs under the Marks.

6. You desire to obtain a franchise from CT for the right to use the Marks and to receive and use the knowledge and training to provide COMPUTER EXPLORERS computer education programs and additional programs accepted by you and to receive and use assistance and advice for providing COMPUTER EXPLORERS computer education programs and additional programs accepted by you.

B. Consideration, Terms and Conditions

In consideration of the mutual agreements, covenants and undertakings in this Agreement and the mutual benefits to be derived from the relationship authorized by this Agreement, and other valuable consideration, the receipt and adequacy of which is acknowledged by the parties, it is agreed as follows:

1.0 GRANT OF FRANCHISE.

1.01 **Franchise Grant.** CT grants to you and you accept a franchise under the terms and conditions of this Agreement for the right to provide COMPUTER EXPLORERS computer education programs and additional programs accepted by you in the territory designated in the Development Territory Addendum with the right also to use the Marks (referred to as "Franchised Business"), and to receive and use the knowledge and training to provide COMPUTER EXPLORERS computer education programs and additional programs accepted by you and to receive and use assistance and advice for providing COMPUTER EXPLORERS computer education programs and additional programs accepted by you (referred to as the "Franchise").

1.02 **Definition of "Computer Education Programs".** COMPUTER EXPLORERS franchises the right to provide the COMPUTER EXPLORERS programs (as those programs may be modified) for 3-to-5 year old children, and for 6 year old and older children, in day cares, schools, community centers, retail sites and other locations; to instruct teachers in computer education for their students and provide curriculum materials to those teachers for use with their students; and also includes the right and obligation to market additional programs involving similar or dissimilar services or products for persons other than children, or involving dissimilar services or products for 3 to 5 year-old children or 6 years and older children which programs may or may not include the use of a computer ("Additional Programs"), to the extent that the marketing rights for those programs are made available to COMPUTER EXPLORERS franchisees and accepted and as well as other related business services as directed by the needs of the market area and approved in writing by CT.

1.03 **Additional Programs.** If the marketing rights for an Additional Program are made available to COMPUTER EXPLORERS franchisees, you will have a 30-day option to accept or reject those rights. Acceptance of those rights by you may be conditioned on you agreeing to incur additional expenses, participate in additional training, be subject to an increased monthly minimum for the continuing franchise fee, and/or comply with other terms which we may specify. If you are offered but reject those rights, we will have the right to market the Additional Program ourselves in your Development Territory (as defined in Paragraph 1.06), or to make available to any other person or entity, including any other franchisee, on terms comparable to those offered to you, the marketing rights for the Additional Program in your Development Territory.

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

1.05 **Similar Services.** We reserve the right, among others, to develop systems other than the System involving similar or dissimilar services or products for persons other than children, or involving dissimilar services or products for 3- to 5-year-old children or 6 years and older children, under dissimilar service marks, trademarks and trade names belonging to us, without granting you any rights in those systems

1.06 **Development Territory.** You are granted the non-exclusive right to use the Marks and the COMPUTER EXPLORERS programs (other than Additional Programs that you have elected not to market under Paragraph 1.03) in the Development Territory defined in Development Territory Addendum. You must use your best efforts to solicit business within the Development Territory for COMPUTER EXPLORERS programs, and to locate, train and supervise sufficient numbers of employees and independent contractors to provide requested COMPUTER EXPLORERS services and products within the Development Territory. You must achieve the minimum annual Gross Sales quotas in the Development Territory Addendum to retain the Franchise. The minimum annual Gross Sales quotas in the Development Territory Addendum may be higher than in CT's standard franchise agreement if you are executing this Agreement to effect a renewal, sale or transfer of an existing COMPUTER EXPLORERS franchise. You may not solicit clients in territories assigned to our other franchisees. You must reasonably restrict your COMPUTER EXPLORERS advertising, promotion and marketing (including direct mailings, personal visits, leaflets and signs), and any leads obtained through group advertising or pooled, centralized telephone arrangements in which you may participate with our other franchisees, to the ZIP code(s) of your Development Territory. You may advertise and promote the Franchised Business on the World Wide Web or any comparable electronic network of computers only as specified in the Operations Manuals. During the term of the Franchise, and except as otherwise provided in Section 1.03, we may not offer COMPUTER EXPLORERS programs to clients in, grant to any other party marketing rights for COMPUTER EXPLORERS programs in, or modify the Development Territory. We may modify the Development Territory on renewal as specified in Paragraph 6.02 or transfer as specified in Section 9.0 of the Franchise Agreement. You must notify us in writing if you have a customer outside your territory that is not in another franchisee's territory. If you have clients in an area that is later assigned to another franchisee or otherwise developed by us, you will turn your customers over to the new franchisee or us as appropriate with the territory rights.

If you are executing this Agreement to effect the renewal on an existing COMPUTER EXPLORERS franchise or to effect the sale or transfer of a COMPUTER EXPLORERS franchise, the terms of the Development Territory Addendum (for Renewal, Sale or Transfer of an Existing Franchise) that you will also execute shall apply and amend certain terms in this Agreement.

1.07 **Requests for Service Within Another Franchisee's Territory.** In accordance with Paragraph 1.06, you will not solicit clients or promote COMPUTER EXPLORERS programs in territories assigned to our other franchisees. If you receive a request for service in another franchisee's territory, you will refer that request to the other franchisee in accordance with referral procedures specified in the Operations Manuals.

1.08 **International, National and Regional Clients.** The marketing rights granted to you in Paragraph 1.06 do not restrict us from contacting international, national or regional clients with headquarters or locations in your Development Territory for any purpose, including the purpose of promoting the use, or the increased use, of COMPUTER EXPLORERS programs marketed by us or our franchisees.

1.09 **Use of Marks**. CT reserves the express right to control all uses of the Marks by you for the purpose of obtaining proper use of the Marks. You shall comply with all instructions for the use of the Marks including instructions contained in CT's Operations Manuals and any updates and revisions to the manual. You are not permitted to use any of the Marks in the name of a corporation or other legal entity.

1.10 **Factors Affecting Business.** You have been informed and acknowledge your understanding of the fact that, because of the competitive nature of the business involved, successful operations of the Franchise will depend upon your best efforts, capabilities, management, and efficient operation of the Franchised Business, as well as the general economic and industry trends and other local marketing conditions.

1.11 **Limitation of Grant.** CT limits the grant of this Franchise to be subject to any lawfully promulgated governmental rules or enacted laws relative to providing COMPUTER EXPLORERS programs. CT shall not be liable to you for any change in the scope or grant of the Franchise due to governmental rules or laws.

2.0 OBLIGATIONS OF CT UNDER THE AGREEMENT.

2.01 **Initial Training.** CT shall provide initial training for transfer of the knowledge and training to provide COMPUTER EXPLORERS programs from CT to you, for a maximum of two (2) persons. Training includes a pre-training program and classroom and lab instruction intended to prepare you for typical management and providing of COMPUTER EXPLORERS programs.

2.02 **Eligibility for Training.** Only you and your employees shall be eligible to receive training by CT under the terms of this Agreement. Any employee, who is not a signatory on this Agreement, shall sign a Restriction and Confidentiality Agreement in a form acceptable to CT prior to taking training. You will be required to show proof of the execution of the Restriction and Confidentiality Agreement prior to any training received by an employee.

2.03 **Training Location.** CT will provide initial training to you at locations selected by CT.

2.04 **Expenses for Initial Training.** You are responsible for all expenses incurred for transportation and lodging in transit to and at a location selected by CT for your attendance at the initial training provided by CT. You will be responsible for all costs. In the case of your purchasing a previously established COMPUTER EXPLORERS territory (a "Resale"), you alone are responsible for these expenses. If CT requires you to take additional training classes in order to successfully complete training, all fees and expenses for the training are your responsibility and shall be paid by you in advance of the additional class or classes.

2.05 **Time of Training.** Initial training shall be made available to you after execution of this Agreement and prior to you providing COMPUTER EXPLORERS programs. The initial training provided for in Paragraphs 2.01 through 2.04 shall be completed as soon as practical.

2.06 **Equipment.** CT agrees to provide you with reasonable assistance in obtaining equipment (in this document referred to as "equipment") as shown on a list of recommended equipment for providing COMPUTER EXPLORERS programs. The equipment you acquire must conform to specifications established by CT. The cost, financing and payment for equipment are your responsibility.

2.07 **Initial Assistance & Advice.** CT shall initially provide you with assistance and advice, as deemed necessary by CT, for the initial operations of the COMPUTER EXPLORERS Franchise.

2.08 **Manuals.** CT shall lend you Operations Manuals as may be issued by CT and revised from time to time for marketing, operations, administration and other matters related to the business of the COMPUTER EXPLORERS programs. All manuals will be delivered in digital format (readable CD) with updates published on Owners Network. Ownership of all manuals shall remain in CT, and no right of reproduction of manuals is granted to you other than as may be required in the course of regular business. You agree to use any manuals of CT only in the operation of the COMPUTER EXPLORERS business under this Agreement and not reveal or disclose any material from the manuals other than for a legitimate business purpose under this Agreement. Should this Agreement terminate, expire without renewal or your COMPUTER EXPLORERS Franchise be transferred, all manuals, whether in digital format on readable CD or in print on paper, shall be returned to CT in satisfactory condition.

2.09 **Initial Package**. At no additional charge to you beyond the initial fees, we will provide upon completion of initial training our initial packet of materials for establishing a COMPUTER EXPLORERS business.

2.10 **Additional Start-Up Services.** CT, at your request, agrees to provide at an additional fee, the following additional start-up services as CT deems is necessary to promote your new business and train you further in operating the business:

a. CT will prepare, print and mail promotional material to your potential customers to assist in the initial promotion of your business;

b. CT will provide you with additional promotional materials to assist you in promoting and marketing your business; and

c. CT will guide you in recruiting your initial staff.

2.11 **Assistance Programs.** CT provides assistance programs as CT deems is necessary to assist you to operate a COMPUTEREXPLORERS business. These programs or services are developed, substituted, modified and canceled as CT determines is in CT's and your best interests. Furthermore, fees may or may not be assessed by CT in connection with registration or use of these programs and services. You agree that CT is not obligated to provide these programs or services to your satisfaction. You also agree that CT shall not be in default of this Agreement because you are not satisfied with these programs or services. As of the date of this Agreement, CT offers the following assistance programs:

a. Provide advice by toll-free telephone lines;

b. Provide seminars and workshops at CT's training facilities and for which CT may charge a registration fee to help defray costs;

c. Hold periodic conferences for which CT may charge a registration fee to help defray costs;

d. Make periodic telephone calls electronic mail, voice mail, facsimile, mail, newsletters, or other methods, that we, in our sole and absolute right, deem reasonable under the circumstances to you to offer general assistance;

e. Research and analyze equipment and other products and services to improve business operations;

f. If requested by you, we will furnish additional guidance and assistance relative to the operation of the business, other than continuing assistance provided at no charge, at per diem charges established by us. If special training of business personnel or other assistance in operating the business is requested by you, and must take place at the location of the Franchised Business, all expenses for training, including our then-current per diem charges and all reasonable transportation, meal and lodging expenses incurred by our personnel supplying the additional assistance, will be paid by you.

g. We may maintain a website or websites on the Internet or any comparable electronic network of computers to advertise and promote our franchise system and products and services marketed by us and our franchisees. We may permit you to establish a website as part of our website(s) and/or to establish electronic links to our website(s). Any representations and warranties of any kind whatsoever, express or implied, regarding our website(s), including representations and warranties as to the operation, functionality, lack of interruption or resources of our website(s), are expressly excluded. Without limiting the foregoing, we disclaim any implied warranties of merchantability and fitness for a particular purpose as to our website(s). As to any malfunctioning of our website(s), we will not be liable to you for any consequential, incidental, indirect, economic, special, exemplary or punitive damages, such as loss of revenue or anticipated profits or lost business, even if you have advised us that such damages are possible as a result of any breach of warranty or malfunction.

3.0 YOUR OBLIGATIONS.

3.01 **Initial Training.** You shall take the initial training provided by CT. You shall successfully complete all initial training required by CT before opening and providing COMPUTER EXPLORERS programs. If, in CT's sole determination, you do not successfully complete initial training, CT shall have the option to either require you to enroll and attend each successive initial training class scheduled, or rescind this Agreement by refunding the initial fees that you have paid, less actual costs incurred by us, including any fees or other charges regardless of how characterized paid or payable to a franchise consultant and any other sales commissions paid, in exchange for your written, signed general release in form and substance that is acceptable to CT. In the event of rescission of this Agreement, your obligations upon termination of this Agreement shall apply and specifically include compliance with all non-compete provisions of this Agreement. The fees for all additional training classes that you are required to take after the first class in order to successfully complete the training shall be paid to CT in advance of each class and are nonrefundable.

3.02 **Training of Personnel.** You agree to provide training for your management, teachers and other staff as may be required for providing COMPUTER EXPLORERS programs. All your personnel who receive training from CT shall sign a written agreement to maintain confidentiality of information they will receive in training and to restrict their competition after termination of their employment. This agreement must be signed by your personnel before they attend training at CT. Training for replacement managers of franchises are required and provided on the same terms as the initial training. Training will be at no cost unless there is a replacement of managers more frequent than every two years. For this training, all expense for travel, lodging, salary and out of pockets is your sole responsibility.

3.03 **Establishing the Franchise Business.** You agree to establish the Franchised Business on the first business day after your successful completion of initial training and to maintain the Franchised Business continuously after that time; but if you are delayed in establishing the Franchised Business because of reasons beyond your control, you will provide us with a written request to delay opening prior to the start of the initial classroom and lab training. The request will state: (1) that a delay is anticipated; (2) the reasons which have caused the delay; (3) the efforts you are making to open; and (4) an anticipated opening date. In considering the request, we will not unreasonably withhold its consent to a delay, up to a maximum of 60 days, if you have been diligently pursuing the establishment of the Franchised Business. If CT consents to the delay, initial classroom/lab training may also be delayed at CT's sole option.

Establishing and maintaining the Franchised Business under Paragraph 3.03 will involve at least all of the following:

a. Establishing a home office for the operation of the business in accordance with the Operations Manuals;

b. Securing all permits and licenses necessary for the establishment and operation of the business;

c. Securing adequate telephone service (minimum of one direct line) for use in the business and COMPUTER EXPLORERS telephone listing; all subject to the Telephone Listing Addendum. No other business will be transacted or advertised using any telephone number assigned to the business;

d. Operating telephone with voice mail for the business during both business and non-business hours;

e. Using your or your manager's best efforts to obtain initial clients for COMPUTER EXPLORERS programs; and

f. Having sufficient staff and equipment available to provide requested services and products within the Development Territory.

As indicated in Paragraph 3.03, you are not required to establish or maintain a commercial office for the operation of the Franchised Business. If choosing to establish and maintain a commercial office, however, you must:

a. Locate a site for the office within your Development Territory and obtain our prior written approval of the site;

b. Obtain our prior written approval of any lease or purchase agreement for the office;

c. Conform the office to applicable building code requirements and to our specifications, as modified by you with our prior written consent to fit the particular site;

d. Be responsible for securing all permits and licenses necessary for the establishment and operation of the office;

e. Obtain our prior written approval of any plans for office construction or equipment installation, or of any deviations from the plans, to ensure that the plans or deviations conform to our specifications;

f. Obtain our prior written approval of an outdoor sign for the business, and install the sign within 30 days after opening the office; and

g. On written notice from us, promptly correct any variations from approved plans or deviations.

3.04 **Best Efforts.** You agree to use your best efforts to develop a successful business and to provide the best possible service to customers of your COMPUTER EXPLORERS programs.

3.05 **Management.** You shall supervise and manage the use of COMPUTER EXPLORERS programs. This supervision and management need not be conducted on-premises provided your manager successfully completes all training required by CT and conducts supervision and management on-premises as you direct subject to the terms, conditions and restrictions of the Operations Manuals and this Agreement.

3.06 **Financial, Federal and State Reports.** You shall make the reports and keep the records concerning the financial operation your COMPUTER EXPLORERS business may be reasonably specified by CT from time to time. You agree to use forms or software programs designated by CT for reporting and to complete those reports in a manner satisfactory to CT, and to provide CT with copies of the completed reports at the time and with the frequency as may be reasonably designated by CT from time to time. You further agree to furnish copies of any federal and state reports, returns and filings to CT when and as requested by CT from time to time.

3.07 **Payment of Fees and Obligations.** You shall duly and punctually pay any and all sums or amounts due to CT including rent on business premises, rental on equipment leases, note payments, payment of invoices for inventory and supplies, and Franchise Service Fees as more fully described in Paragraphs 5.01 through 5.08 below.

3.08 **Payment of Debts Guaranteed by CT.** You shall duly and punctually pay any and all sums or amounts owed by you, the payment of which has been guaranteed in any manner by CT.

3.09 **Payment of Trade Accounts.** You shall duly and punctually pay all your obligations and trade accounts and maintain a good credit rating. You shall notify CT immediately of your inability to honor your obligations and/or maintain a good credit rating.

3.10 **Payment of Rent.** You shall duly and punctually pay lease or rental payments for any business premises of your COMPUTER EXPLORERS business as those payments become due. You shall not breach the lease agreement for the business premises or default on any of its terms.

3.11 **Trade Secrets and Other Confidential Information.** You agree to keep confidential CT's trade secrets, including information contained in CT's Operations Manuals, the knowledge and training to provide COMPUTER EXPLORERS programs and other technical or business information including customer names, addresses and requirements, curriculum, confidential information concerning pricing methodology and structures, advertising formats, sales promotion formats, accounting systems, business methods and procedures, equipment or product studies and evaluations, and maintenance and systems of operation provided for or resulting from operation under this Agreement. All this information shall remain the property of CT and as such, all copies in any form shall be returned to CT within seven (7) days after termination of this Agreement. You shall only divulge this information to your employees who have a need to know the information in order to perform their duties to provide COMPUTER EXPLORERS programs. Your obligations relating to maintaining the confidentiality of this information shall remain in effect during the term of this Agreement and shall continue afterward.

3.12 **Protection of the Marks.** You shall provide COMPUTER EXPLORERS programs so as to protect the integrity and goodwill of the Marks by maintaining a high standard of quality and reputation with respect to the goods, services and business on or in connection with which the Marks are used, in accordance with the standards which CT may from time to time prescribe in its training, Operations Manuals and as provided for in this Agreement.

3.13 **Prior Approval on Advertising.** You shall obtain CT's prior written approval as to the form and content of all advertising developed or obtained by you for promoting your COMPUTER EXPLORERS programs.

3.14 **Insurance and Hold Harmless.** You shall maintain the insurance described in Paragraphs 7.01 through 7.03 of this Agreement. In addition, you agree to defend, indemnify and hold CT harmless from and against any and all claims, demands, losses, damages, costs, liabilities and expenses (including attorney's fees and costs of suit) of whatever kind or character, on account of any actual or alleged loss, injury or damage to any person, firm, or corporation or to any property arising out of or in connection with providing COMPUTER EXPLORERS programs or the exercise or purported exercise by you of your Franchise. This covenant shall continue and be enforceable notwithstanding the expiration or other termination of this Agreement for any reason.

3.15 **Notification to CT.** You shall promptly notify CT of any and all demands, claims and suits asserted against CT or you in connection with this franchise or the operation of your COMPUTEREXPLORERS business.

3.16 **Cooperation.** You shall cooperate with CT regarding any demands, claims or suits asserted against CT or you in regard to this Franchise, the Marks and your COMPUTER EXPLORERS operation.

3.17 **Notification to Public.** You shall provide notice to the public by signage and other designation so that you clearly indicate that you are operating an independent business and are not a partner or agent of CT.

3.18 **Further Obligations.** You acknowledge that further obligations are contained in subsequent paragraphs of this Agreement and include your obligations in the event of default, termination, or expiration of this Agreement, restrictions upon your other business activities, indemnification of CT, and other covenants by you as to prohibited actions. Upon the event of default, termination or expiration of this Agreement, you agree that your interest in all signage bearing any of the Marks of CT is assigned to CT.

3.19 **Employee Relations.** You agree to comply with all employment related laws and to be fair and courteous to employees and to establish and maintain standards of performance which will provide the best possible service to customers of your COMPUTER EXPLORERS programs.

3.20 **Promote Goodwill.** You shall exercise every effort to promote the goodwill of the Marks and COMPUTER EXPLORERS programs, including displaying all signage required by CT, in compliance with CT's standards and maintaining that signage in clean and good working condition.

3.21 **Your Employees.** You shall have the sole responsibility and control for recruiting, hiring, compensating and training of your employees as well as any liability for acts or omissions of the employees. You agree to include in the hiring process a background check as comprehensive as that described in the Operations Manuals and always as comprehensive as that used by public school districts and/or child care centers in the hiring of teachers in your territory.

3.22 **Conduct.** You and your employees are required to conduct yourselves in a manner so as to not discredit or denigrate the reputation or goodwill of CT or any COMPUTER EXPLORERS programs or the Marks to the public. Any misconduct, if not promptly abated, shall be cause for termination of the Franchise.

3.23 **Security of Customers and Employees.** You shall use your best efforts to secure the safety of your customers and employees from any hazards or criminals on or about the COMPUTER EXPLORERS programs. You agree that you control all aspects of your environment relating to security and CT cannot provide this security for you.

3.24 **Required Software.** You shall acquire and maintain any software required by CT throughout the term of this Agreement and any renewals together with the necessary computer hardware with which to operate it.

3.25 **Equipment, Software, Supplies, Services and Products**. You may purchase your equipment, software, supplies, services and products from whomever you decide, except that:

a. You must subscribe to an on-line computer network as prescribed by us.

b. You must use equipment, software, supplies, services and products which meet specifications prescribed by us in the Operations Manuals. The purpose of these specifications is to protect and maintain the goodwill of the System and the Marks.

c. You must use our proprietary record-keeping website (CEMS 360).

d. You must purchase equipment, software, supplies or products with our trademarks from us or suppliers that we approve or designate.

We reserve the right to inspect and re-inspect the products, supplies and facilities of your suppliers, to determine their conformity with this Paragraph 3.25. We will maintain and make available to you a list of certain equipment, software, supplies, products and services which meet our specifications. We may modify this list. If you desire to use items or services not on the list, you will so notify us in writing before using the items or services and, if we so request, will provide us samples of the items or services and any relevant data. At your option, we will test any item or service to determine whether it meets the required specifications and will notify you accordingly within a reasonable time. You will reimburse us for our expenses relating to item or service testing or grant or approval of items or services, and for the then-current per diem charges for our personnel. If we determine that any item or service does not meet the required specifications, you agree that you will not use the item or service in the Franchised Business. The supplier of any item or service proposed for use by you under this Section 3.25 may be required to demonstrate to our reasonable satisfaction that:

a. the supplier meets our specifications, including its quality, quantity, warranty, variety, service and safety specifications, for the item or service and for the facilities used in the production and distribution of the item or service.

b. the supplier has the capacity to supply franchisee requirements;

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

d. the supplier will supply items or services to a sufficient number of our franchisees to enable us to economically monitor compliance by the supplier with our specifications.

3.26 **Offer to Sell You Items or Services.** We or our related companies may offer to sell to you items or services used in operating a COMPUTER EXPLORERS business, which may be purchased by you at your option. We or our related companies will endeavor, to the extent we are able to do so based on total purchases by our franchisees, to negotiate volume-purchasing arrangements for items and services, and to offer them to our franchisees at prices not otherwise generally available to the franchisees.

3.27 **No Warranty or Guarantee of Third Party Items or Services.** To the extent we are not the manufacturer of any item or service which we may sell or provide to you, unless specifically stated otherwise in writing, we do not provide any warranty or guarantee to you or any third party, and you may not make any representation to the contrary to any third party. If we are able to secure from any manufacturer any warranty, guarantee or assumption of liability which we are authorized to convey to you, we will so notify you.

3.28 **Attendance at Conference/Seminar.** Each year, you will attend, at your sole cost, a national or international Conference/Seminar that we schedule and conduct. Payment of the registration fee we may charge is required whether or not you actually attend.

4.0 OPERATION OF YOUR BUSINESS.

4.01 **Your Territory Number.** Your Territory Number shall be designated at the beginning of this Agreement.

4.02 **Independent Contractor & Business.**

a. You are and shall in all events be an independent contractor and nothing in this Agreement shall be construed as constituting you as the agent, partner, employee or legal representative of CT for any purpose.

b. You acknowledge that your providing COMPUTER EXPLORERS programs is for your sole profit or loss less required payments to CT and that you shall be solely responsible for the employment, direction, control and management of agents and employees.

c. You acknowledge that there is no authority granted to you under this Agreement, or otherwise to incur any obligations or responsibilities on behalf of CT or bind CT by any representations or warranties and you agree not to lead anyone to believe that you have this authority.

4.03 **Use of Legal and Assumed Business Name.** You shall immediately register at the Office of the County Clerk or the County or Parish in which your COMPUTER EXPLORERS territory is located, or other public office as provided for by the laws of the state in which you shall operate, the fact that you will be doing business under an authorized assumed business name. You are authorized to use only the following authorized business names: COMPUTER EXPLORERS followed by your Center Number, or any other assumed business name for which CT has given prior written approval, which approval shall be in the sole discretion of CT. You shall provide CT with a copy of or proof of registration of the assumed name and any subsequent revisions or renewals of that registration. In your transactions and other acts in connection with providing COMPUTER EXPLORERS programs, you shall use only the authorized assumed business names provided by this section.

4.04 **Internet/World Wide Web.** CT may, in its discretion, make available a website for you to use to promote the Franchised Business. If CT makes a website available for your use, it shall be the primary website on which you promote the Franchised Business on the Internet or World Wide Web. You may not register a domain name that uses any of the Marks in any form or colorable imitations without CT's prior written consent. You shall distinguish yourself from CT in any use of the Internet or World Wide Web by sufficient means including the use of your center number in your domain name, website and electronic bulletin board. You shall include a notice as to your independent contractor status and of the fact that you are a franchisee within the COMPUTER EXPLORERS franchisee system. Before going online in the Internet or World Wide Web, you shall obtain written approval of your website, bulletin board and domain name from CT. CT reserves the right at its sole discretion to require you to alter your website, bulletin board, domain name or any information or communication you use in the Internet or World Wide Web at your sole cost.

4.05 **Conduct of Business.** You shall establish and maintain at your COMPUTER EXPLORERS locations and at your sole expense a sufficient space for providing COMPUTER EXPLORERS programs and maintain same in a safe and orderly manner, presenting a neat and business-like appearance to the public, and shall not permit the premises of the COMPUTER EXPLORERS programs to be used for any illegal activity.

4.06 **Specific Details of Operation.** CT reserves the right to mandate certain details of providing COMPUTER EXPLORERS programs (with the sole exception of securing the safety of the customers and employees). You shall comply with all instructions for the methods and procedures of operation contained in CT's Operations Manuals and any updates and revisions to the Manuals. If CT determines that you are not complying with the Manuals, CT may consider you to be in material default under this Agreement.

4.07 **Prices.** You are free to establish prices for your goods or services at your sole discretion.

4.08 **Prohibited Practices.** You agree not to engage in any unlawful reproducing or duplicating or distribute any materials which are immoral, illicit, offensive, or which would discredit or denigrate the reputation or goodwill of CT, any COMPUTER EXPLORERS programs or the Marks. Furthermore, goods or services shall not be offered for sale or distributed by you which, in any way, would cast or are likely to cast, aspersions or bring disrepute to the COMPUTER EXPLORERS programs. If any such goods or services are offered for sale or are distributed, CT shall have the right to demand that you discontinue the sale and distribution of those goods or services, and that you agree to promptly discontinue any sale or distribution of those goods or services.

4.09 **Other business with COMPUTER EXPLORERS programs.** You shall not engage in any other business with COMPUTER EXPLORERS programs other than Computer Education Programs as defined in this Agreement, unless CT agrees in writing to the conduct of any such business. Such consent of the CT shall be effective only so long as any such other business does not interfere with effectively providing COMPUTER EXPLORERS programs and you do not in any way neglect the business of COMPUTER EXPLORERS programs. Whether or not you obtain

CT's consent, the sales of such other business shall be included in the Gross Sales provided for under Paragraph 5.03 of this Agreement and you shall pay a Franchise Service Fee on such sales under Paragraph 5.02 of this Agreement. CT reserves the discretionary right, at any time, to withdraw or limit consent to any extent deemed necessary by CT. Consent given to one Franchisee for any such other business shall not be precedent requiring consent to Franchisee.

4.10 **Business Records.** You shall maintain true and accurate accounts and records of all sales of goods and services in providing COMPUTER EXPLORERS programs in a form satisfactory to CT. CT may, at its discretion, specify the form or software program in which the business records are to be maintained or provide a uniform set of business records to be used by you. Should CT specify the software program or form of the business records or provide a set of business records or software program, you agree to maintain a true and correct record of your financial transactions upon the software, business forms or set of business records.

4.11 **Maintaining Financial Records.** You shall maintain financial records of COMPUTER EXPLORERS programs in accordance either with the accounting system designed by CT or with an accounting system prepared by your certified public accountant which conforms to generally accepted accounting principles and incorporates the accounting system as designated by CT. You shall be responsible for the expense of maintaining your accounting system. Your computer shall have the ability to transmit any and all information maintained in the recommended software to CT by electronic means.

4.12 **Sales Report.** A Sales Report showing Gross Sales of the COMPUTER EXPLORERS programs as defined in Paragraph 5.03, together with other related information as specified by CT in its training and manuals shall be submitted to CT on a regular basis accurately reflecting the Gross Sales and other information of the COMPUTER EXPLORERS programs. CT shall have the discretion to require that this information be reported electronically (through a designated website, designated software, or other electronic means designated by CT) or by mail, fax or telephonically and may change the required method with 30 days written notice. CT shall have the further discretion to establish the date such Sales Reports are due and the periods of operation to be covered by these reports, provided that Sales Reports shall be required no more frequently than every seven days and no less frequently than every calendar month. CT shall provide the form or forms to be used for such reporting, and the procedures for reporting may be further detailed in CT training and Operations Manuals.

4.13 **Financial Statements.** You agree to provide CT with a complete financial statement relating to the COMPUTER EXPLORERS business on a monthly basis for the first 18-month period of the COMPUTER EXPLORERS operations and on a six-month basis going forward. Said financial statement shall include profit and loss statements and balance sheets. CT reserves the right to approve or reject the form by which you supply the financial information and reserves the right to prescribe forms to be used. You agree to deliver or deposit the financial statements to CT by fax, electronic transmission or mail to the address specified by CT, whichever method of transmission that CT requires, within 35 days following the close of each calendar month for the first 18 months of the COMPUTER EXPLORERS operation and within 60 days following the close of each six months going forward.

4.14 **Business and Marketing Plan.** You agree to provide CT with a business and marketing plan for your COMPUTER EXPLORERS business annually. It shall be in the format prepared by you and accepted by CT when you began operating your COMPUTER EXPLORERS business. You agree to deliver an updated plan to CT by fax, electronic transmission or mail to the address specified by CT, whichever method of transmission that CT requires, within 60 days before the start of each calendar year.

4.15 **Federal & State Reports.** You shall file all State and Federal reports and returns as may be required by law relative to operating the COMPUTER EXPLORERS programs business. You shall furnish copies of the Federal and State reports, returns and filings to CT when and as requested by CT.

4.16 **Audit.** You grant to CT the right, at all reasonable times, to make an examination and audit of your financial books and records (together with the right to make copies) which can be made either by an employee of CT or an independent contractor employed by CT for these purposes, the examination and audit to be at CT's sole expense with the exception of those circumstances provided for below. CT's right to audit your financial books and records includes the right to retrieve any and all information from your computer through electronic transmission. Should you fail to make a Sales Report to CT within 45 days from the date a Sales Report is due, CT may examine and audit COMPUTER EXPLORERS business to determine Gross Sales and any Franchise Service Fee or other Fee due and may charge you the expenses of the examination and audit. Should an audit be required to be rescheduled, due to your lack of preparation and/or poor condition of your records, CT shall charge you the expenses of any follow-up visit or visits. Additionally, should any examination or audit by CT of your COMPUTER EXPLORERS business establish your failure to report sales or pay any Franchise Service Fee or Fee by at least 2% of that which should have been reported or paid, CT may charge you the expense of said examination and audit in addition to all other payment or charges which may be due.

If any expenses are charged, CT shall invoice you for the expenses and your payment of these expenses shall be due and payable immediately when invoiced.

4.17 **Credit Sales.** Extension of credit is your sole responsibility and risk. Franchise Service Fees shall be due and payable on credit sales to the same extent as if the business had been by cash sale.

4.18 **Inspection by CT.** Our field representative or designee may make an announced or unannounced inspection of the Franchised Business at any reasonable time to ensure compliance with all terms of this Agreement, which inspection may include interviews of your manager, instructors, employees and independent contractors to ascertain their knowledge of and compliance with the System, as well as interviews with your clients to determine their level of satisfaction. You agree that the field representative or designee will be allowed to take a physical inventory of the assets of the Franchised Business, and to inspect any records of the Franchised Business, including your books and financial accounts, at any time during normal business hours. Any inspection will be made at the expense of us or our designee, but if we or our designee must make more than one inspection concerning your repeated or continuing failure to comply with this Agreement, we will have the right to charge you for the costs of making such additional inspections concerning your failure to comply, including travel expenses, room, board and compensation of our field representative or our designee. At the conclusion of his or her inspection, the field representative or designee will prepare a written report. You (or if you are not an individual, your principal operating officer or partner), if present, or your Manager, will be given a copy of the report and will sign a second copy to be sent to us, on which he or she may acknowledge or contest the field representative's or designee's conclusions and observations.

During any inspection, you agree to cooperate fully and to give any assistance reasonably requested. Promptly after receiving notice of any deficiencies detected in an inspection, you agree to take steps necessary to correct the deficiencies, including if necessary the temporary closing of the Franchised Business. Without limiting our other rights and remedies, we will have the right, if you fail or refuse to act promptly, to make or cause to be made any required corrections and to charge the costs of correction to you.

5.0 FEES AND CHARGES.

5.01 **Initial Payment.** You shall pay to CT, upon execution of this Agreement, the "Initial Franchise Fee" of $17,500. The "Start-Up and Pre-Paid Operating Fee" of $14,500 is paid to CT ten business days before pre-training begins.

5.02 **Franchise Service Fee.** During the term of this Agreement, you agree to pay to CT as consideration under this Agreement a Franchise Service Fee of eight percent (8%) of Gross Sales of the business conducted by you for all months of operation.

The fee is subject to a monthly minimum as follows:

Years 2 - 15	$500

For purposes of determining the monthly minimum due pursuant to this Paragraph 5.02, Year 2 will start on the one year anniversary of the date CT signed the Franchise Agreement. The fee may be subject to a higher monthly minimum if: a) the Development Territory specified in Development Territory addendum is larger than a standard territory or if you elect to market Additional Programs under Paragraph 1.03; or b) you are executing this Agreement to effect the renewal of an existing COMPUTER EXPLORERS franchise; or c) you are executing this Agreement to effect the sale or transfer of a COMPUTER EXPLORERS franchise.

5.03 **Gross Sales.** With respect to business conducted by you, "Gross Sales" shall mean and include the total sum of:

a. all amounts invoiced or otherwise charged for services;

b. all amounts invoiced or otherwise charged for goods or merchandise sold;

c. the value of all goods or merchandise sold, services performed and business dealings whatsoever which are unpaid and/or not invoiced; and

d. all amounts invoiced or otherwise charged for services, goods or merchandise purchased or made or furnished to you for resale by you.

Gross Sales shall include both cash and credit sales, but shall not include sales or use taxes. There are no sales of services, goods, or merchandise whatsoever which are permitted by this Agreement that are not subject to the payment of Franchise Service Fees.

5.04 **Payment of Franchise Service Fee.** The Franchise Service Fee provided for in Paragraph 5.02, based on Gross Sales as described in Paragraph 5.03 is due for each month during the term of this Agreement and payable on the tenth day of the month following the month for which the Franchise Service Fee is due. CT shall have the discretion to require that payments be made by electronic fund transfer directly to CT's designated bank account or by deposit postage paid into the U.S. Postal Service and may change the required method with 30 days written notice. Actual procedures for payment of Franchise Service Fees may be further detailed in CT training and Operations Manuals.

5.05 **Place and Time of Payment.** Payments transmitted by Electronic Fund Transfer will be credited as of the day the deposit in CT's bank account is acknowledged by the bank and payments that are deposited in the U.S. Postal Service will be credited as of the day of the U.S. Postal Service postmark.

5.06 **Penalty for Late Sales Report.** If CT is unable to poll the Sales Report from your computer and requests a written Sales Report, and you fail to deliver the Sales Report to CT by the time CT requests delivery, then the Sales Report shall be deemed late, and CT, at its discretion, may charge a penalty in an amount determined solely by CT but not to exceed 5% of the Franchise Service Fees which are calculated by the late Sales Report for each month the Sales Report is late.

If a penalty is charged, CT shall invoice you for the penalty amounts and the penalty amounts shall be due and payable immediately when invoiced. If the penalty violates any applicable usury laws, you agree that the penalty shall then be the maximum rate permitted by these laws and any amount of penalties charged or collected from you shall be applied as a credit to any existing other debts or future Franchise Service Fees you owe CT.

5.07 **Penalty for Late Payment of Franchise Service Fee.** If CT does not receive from you payment for Franchise Service Fee by Electronic Fund Transfer or mail as provided for in paragraph 5.04, then the payment shall be deemed late, and CT, at its discretion, may charge a penalty in an amount determined solely by CT but not to exceed 5% of the Franchise Service Fees that are late for each month they are late. You shall also pay CT any Non-Sufficient Fund or related bank generated charges or fees which are assessed or incurred by CT because there are insufficient funds in your bank account for transfer of Franchise Service Fees, or because your bank account is closed.

If a penalty is charged, CT shall invoice you for the penalty amounts and the penalty amounts shall be due and payable immediately when invoiced. If the penalty violates any applicable usury laws, you agree that the penalty shall then be the maximum rate permitted by these laws and any amount of penalties charged or collected from you shall be applied as a credit to any existing other debts or future Franchise Service Fees you owe CT.

5.08 **Termination of Agreement.** Failure to comply with the provisions of Paragraphs 5.01 through 5.07 above in a substantial and diligent way will justify termination of this Agreement by CT as provided for in Paragraphs 10.01 and 10.02.

5.09 **Advertising and Promotion**

a. Recognizing the value of marketing and the importance of the standardization of promotions and public relations programs to the furtherance of the goodwill and public image of the System and the Marks, you agree to contribute, on a monthly basis 1% of your Gross Sales or $75.00, whichever amount is greater to a system-wide advertising and promotional fund ("Fund"), if we choose to establish and maintain a fund.

5.10 **Maintenance of Fund.** If established, the Fund will be maintained as follows:

a. You will contribute to the Fund on or before the tenth day of each month based on your Gross Sales for the preceding month.

b. Any company-owned COMPUTER EXPLORERS businesses will make contributions to the Fund on a basis at least equal to that described in Paragraph 5.09.

c. We will direct all advertising and promotional programs, with the sole and absolute right of approval over agencies, spokespersons, creative concepts, materials, and media placements and allocations used in the programs. You agree that the Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System, and that we and our designees undertake no obligation in administering the Fund to make expenditures for you which are equivalent or proportionate to your contributions, or to ensure that you benefit directly or pro rata from the placement of advertising.

d. You agree that the Fund may be used to meet the costs of researching, preparing, maintaining, administering and directing advertising and promotional materials and programs (including the costs of preparing and conducting television, radio, magazine, newspaper, direct mail and coupon advertising campaigns and other public relations activities; employing advertising agencies; providing a toll-free number for prospective parents and site directors to call for referral purposes; and providing promotional brochures and other marketing materials to franchisees in the System). All sums contributed to the Fund will be maintained in a separate account from our general funds and will not be used to defray our general operating expenses, except for reasonable administrative costs and overhead incurred in activities related to the administration or direction of the Fund (up to 15%), including conducting market research, preparing and distributing advertising and promotional materials, and collecting and accounting for contributions to the Fund.

e. If we expend less than the total of all contributions to the Fund during any fiscal year, we will have the right to retain those contributions for use in subsequent years. If we expend more than the contributions accumulated in the Fund during any fiscal year, we will have the right to receive from the Fund, reimbursement or credit during the same or subsequent years to the extent of the excess expenditure.

f. An unaudited summary report on the operation of the Fund will be prepared annually and will be made available to you on request 90 to 120 days after fiscal year end.

g. Although the Fund is intended to be of perpetual duration, we retain the right to terminate the Fund. The Fund will not be terminated, however, until all contributions have been used for the purposes described above or returned to contributors on a prorated basis.

5.11 **Conformance with Specifications in Operations Manuals.** If you use advertising or use promotional materials, those advertising and promotional materials must be dignified and conform to specifications in the Operations Manuals. If prescribed advertising or promotional materials are available from us, you may not use any materials other than those prescribed by us, and must pay all reasonable fees and expenses associated with the provision of those materials. Otherwise, you must submit samples to us (by fax, or by receipted mail or delivery service) and obtain our prior written approval (except as to prices to be charged), of all advertising and promotional materials (including direct mailings, leaflets, brochures, signs, audios, videos and CDs) that you desire to use and that have not been prepared or previously approved by us. If written disapproval is not received by you (by fax, or by receipted mail or delivery service) within ten days after our receipt of the materials, we will be deemed to have given the required approval. If any advertising or promotional materials previously approved by us are later disapproved, you must discontinue their use promptly on written notice from us.

5.12 **Application of Payments. CT may in CT's discretion:**

a. Apply any payments received to any current indebtedness of any kind, no matter how payment is designated by you;

b. Set off from any amounts that may be owed by CT any amount owed to CT; and

c. Retain any amounts received for your account (and/or that of any Affiliate of yours), whether rebates owing to you from suppliers or otherwise, as a payment against any amounts owed to CT.

CT can exercise any of the foregoing rights in connection with amounts owed to or from CT and/or any affiliate of CT to or from you and/or any of your Affiliates.

6.0 TERM AND RENEWAL OF AGREEMENT.

6.01 **Term of Franchise.** This Agreement and the Franchise granted by this Agreement shall be for a term of fifteen (15) years, from the date of execution of this Agreement by CT, subject to earlier termination as provided elsewhere in this Agreement. At the end of the stated term of this Agreement, or upon an earlier termination, your post-termination obligations shall apply and specifically shall include compliance with the non-compete provisions contained in this Agreement.

6.02 **Renewal.** At the end of the term, provided that you shall have complied with all the terms of this Agreement, you shall have an option to renew the Franchise for a period of fifteen (15) years by giving CT written notice of your election to renew the Franchise at least six (6) months prior to the end of the term of this Agreement. The renewal shall be effected by the execution of the standard Franchise Agreement in effect for the sale of new COMPUTER EXPLORERS Franchises at the time the renewal is effected, but you will pay 5% of the then-current initial franchise fee for a comparable franchise territory and you may be required to accept Franchise Service Fee minimums and Gross Sales Quotas that are different than in the standard Franchise Agreement. In addition to not granting any additional renewal rights beyond those granted in this Agreement, the then-current Franchise Agreement may contain terms substantially different from those in this Agreement, including different fees, advertising contributions, training requirements, territory(ies) and quotas.

Depending on the then-current demographics of the Development Territory, and our then-current standards for territories and quotas, if you were granted more than one standard territory, we may require you to accept a renewal territory identical to your Development Territory but with higher quotas. If Development Territory is larger than our then-current standard territory, we may require you to: (a) accept a Renewal Territory smaller than the Development Territory, if you do not want higher quotas; (b) accept a Renewal Territory identical to the Development Territory but with higher quotas; or (c) execute multiple Franchise Agreements with Renewal Territories and quotas that more closely match our then-current standards for territories and quotas. If you were granted more than one standard territory, we may only require you to accept a renewal Territory identical to your Development Territory but with higher quotas.

7.0 INSURANCE.

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

a. Worker's compensation or similar insurance as required by the law of the state or jurisdiction in which you are engaged in business. This insurance must be maintained for trainees, as well as for those employed or engaged in the operation of the Franchised Business.

b. Automobile liability insurance with a \$500,000 combined single limit or a \$250,000/\$500,000 split limit.

c. Comprehensive general liability insurance with a limit of at least $1,000,000.

d. If maintaining a commercial office, insurance on the office, equipment (except portable equipment) and supplies, for loss or damage by fire, windstorm, flood and other risks usually insured against by the owners or lessors of similar property. The insurance must be for at least 90% of the replacement cost of the property. Unless a written waiver is obtained from us, any COMPUTER EXPLORERS office sustaining loss or damage must be repaired, restored or rebuilt within 60 days of the date of the loss or damage.

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

7.03 **Additional Insured.** Each insurance policy maintained by you for the Franchised Business must: name you as the insured; name us, and our affiliates, successors, assigns, shareholders, partners, officers, directors, employees and agents as additional insureds (we will provide you with a list after you sign the Franchise Agreement); require the insurer to defend each person or entity if there is a claim; provide that any liability coverage afforded applies separately to each person or entity against which a claim is brought as though a separate policy had been issued to that person or entity; contain no provision which limits or reduces coverage if there is a claim by one or more additional insured, or by reason of any insurance which may be maintained by us; and provide coverage for your indemnification obligation under Paragraph 3.14 of this Agreement. Coverage for the additional insureds will apply on a primary basis irrespective of any other insurance, whether collectable or not. All insurance policies must be issued by insurance companies with performance ratings of at least A+ as rated in the most recent edition of Best's Insurance Reports or comparable publication.

7.04 **Insurance Notice.** Within 30 days after opening the Franchised Business and then annually when annual financial statements are provided, you must furnish to us a then-current copy of each insurance policy, including all amendments and endorsements, evidencing the limits noted above or as then required, and proof of premium payments, and providing that the insurance will not be cancelled, amended or modified without 30 days' prior written notice to us, together with evidence of payment of premiums.

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

7.06 **Failure to Obtain Insurance.** If you fail to comply with the requirements of Paragraphs 7.01 through 7.05, CT may obtain the insurance and keep the same in force and effect, and you shall pay CT, on demand, all premiums charged for the policies. Failure to obtain insurance may be considered a default of this Agreement.

8.0 GOODWILL & MARKS.

8.01 **Your Agreement as to the Marks.** You acknowledge the validity of the Marks and CT's rights and interest in the Marks. You shall not, in any way, do anything to infringe upon, harm, challenge or contest CT's rights or the validity of the Marks or any other mark or name which incorporates one of the Marks or any of the Marks' registrations. You shall not use any of the Marks other than as permitted by this Agreement. You shall not place any name, mark, logo, insignia or the like other than the names, marks, logos, insignias and the like originally appearing, on any products or packages or other materials which you obtain from CT or with CT's written permission from third parties.

8.02 **Use of the Marks.** You agree not to add any name, mark, logo, insignia or the like to the Marks or to make any variations in the use of the Marks unless first approved in writing by CT. It is understood and agreed that CT may make variations in the Marks or the use of the Marks. You agree to use only the Marks which are authorized by CT, and only the manner of use authorized by CT.

8.03 **Corporate Use of Marks.** You shall not use any of the Marks in your corporate name.

8.04 **Goodwill.** You recognize and agree that the use of the Marks or of any approved name, mark, logo, insignia or the like incorporating the Marks by you inures to the benefit of CT and that any goodwill arising from this use remains the property of CT should this Agreement expire or be terminated for any reason. You agree the goodwill includes, but is not limited to, the current customers, customer lists, customer files, telephone number and facsimile number of your CT.

8.05 **Infringement.** You acknowledge that certain of the Marks have been registered with the United States Patent and Trademark Office. CT and the legal owner of the Marks, only, retain the discretionary right to assert infringement of the Marks and registrations against any person or concern who may use the Marks without permission, license or authority of CT.

8.06 **Defense.** CT shall defend you from any and all claims of trademark infringement for your use of the Marks and hold you free and harmless for any of the claims if you promptly give written notice to CT of the claims or suits and tender the full defense to CT. CT and the legal owner of the Marks, only, shall have complete control and direction of any legal action, including the settlement of the action, without providing notice to you and shall bear all costs of defense of the claims or suits.

9.0 ASSIGNMENT, TRANSFER, INCORPORATION AND CHANGE IN CORPORATE OWNERSHIP.

9.01 **Assignment by CT.** CT may assign all or any part of its rights and interest in this Agreement to another person or legal entity without your consent. CT will require this other person or legal entity to assume all of CT's obligations to you under this Agreement. By its assignment, CT is discharged from any further obligations to you under this Agreement.

9.02 **Assignment by You.** You shall not assign any of your rights, interest or obligations under this Agreement, with the sole exception of assignment to your corporation, as provided in Paragraph 9.06 of this Agreement.

9.03 **Sale or Transfer of the COMPUTER EXPLORERS Business.** Please understand there is no obligation imposed on CT to find a buyer for your business. You may sell or transfer your interest in your COMPUTER EXPLORERS business to another person or legal entity (prospect) after all the following conditions have occurred or been performed:

a. You and your prospect make application for CT's consent to the sale or transfer with all the information and within the time periods required by CT;

b. You have made the written offer for the purchase of your COMPUTER EXPLORERS business to CT as provided by Paragraph 9.04 of this Agreement, and CT has declined in writing to accept that offer;

c. Your prospect supplies adequate evidence of being financially capable for assumption of your COMPUTER EXPLORERS operation;

d. You and each of your partners, shareholders, officers and directors shall have executed a general release, in a form satisfactory to CT, of any and all claims against CT and its officers, directors, shareholders and employees in their corporate and individual capacities, including claims arising under federal, state and local laws, rules and ordinances, but you shall not be required to release CT for violations of federal and state franchise registration and disclosure laws.

e. The prospect (including any person with a beneficial interest in the transferee if it is a legal entity) executes our then-current standard Franchise Agreement (excluding any requirement to pay an initial franchise fee) and related agreements (including any guaranty agreements). The then-current Franchise Agreement may contain terms substantially different from those in this Agreement, including different fees, term of Agreement, advertising contributions, training requirements, territory(ies) and quotas.

Depending on the then-current demographics of the Development Territory, and on our then-current standards for territories and quotas, if you are granted one standard territory and your Development Territory is larger than our then-current standard territory, we may require the transferee to: (a) accept a Transfer Territory smaller than the Development Territory, if the transferee does not want higher quotas; (b) accept a Transfer Territory identical to the Development Territory but with higher quotas; or (c) execute multiple Franchise Agreements with Transfer Territories and quotas that more closely match our then-current standards for territories and quotas. If you were granted more than one standard territory, we may only require the franchisee to accept a Transfer Territory identical to your Development Territory but with higher quotas.

f. You and your prospect sign any other agreement or document required by CT at the time the transfer takes place;

g. A nonrefundable transfer fee in an amount determined by CT at the time of the transfer is received by CT when required by CT;

h. All your debts and other obligations to CT have been paid or performed to CT's satisfaction, and you have paid any charges that may be owed to any consultant, such as a franchise development company that CT may designate and that you may retain;

i. If you operate your business from an office space, your prospect has negotiated a new lease or an assumption or assignment of your lease with your landlord for lease of the COMPUTER EXPLORERS premises and written proof of this has been submitted to CT when required by CT;

j. You and your prospect have satisfied any other requirements for CT's consent to the transfer at the time of the transfer including prospect's visit at CT offices and personal interview with CT's designated personnel;

k. CT consents to the transfer in writing;

l. Any office space must be upgraded to current standards provided by CT; and

m. CT determines that your prospect has successfully completed all training required by CT at the time of the transfer.

If all the conditions have occurred or been performed, CT will not unreasonably withhold, delay or condition its consent to any proposed transfer by you permitted by Paragraph 9.03, which requires CT's consent under this Agreement. You agree that the new Franchise Agreement your prospect will be required to sign may contain substantially different terms, including a higher amount of Franchise Service Fees and other payments. Your sale or transfer without CT's consent of your COMPUTER EXPLORERS business shall operate as a termination of this Agreement with you for purposes of Paragraphs 11.02, 11.03 and 11.04 of this Agreement and those same restriction covenants shall apply to you.

9.04 **CT's First Option to Purchase Your COMPUTER EXPLORERS Business.** If you wish to sell your interest in your COMPUTER EXPLORERS business to another, you shall first offer your interest in the business to CT in writing upon the same terms and conditions as offered to your prospect. CT shall have a period of 30 days from receipt of your offer in which to accept. If CT refuses or fails to accept your offer you may make the same offer to your prospect. You shall not make another offer to your prospect with terms different than the offer made to CT without offering those different terms first to CT and providing CT another 30 days to accept the new offer. If CT refuses or fails to accept the new offer you may make the same new offer to your prospect.

9.05 **Transfer of COMPUTER EXPLORERS Business to Heirs or Beneficiaries Upon Death.** If you should die during the term of this Agreement, your heirs or beneficiaries may operate your COMPUTER EXPLORERS business under the terms of this Agreement for a period of up to six (6) months from the date of your death. After 6 months, your heirs or beneficiaries shall have the option of either taking any training required by CT and executing the then current standard Franchise Agreement to assume the COMPUTER EXPLORERS Franchise or sell or transfer the COMPUTER EXPLORERS Franchise subject to Paragraph 9.03 of this Agreement.

9.06 **Incorporation.** You may assign your rights under this Agreement to a corporation owned by you after the following conditions have occurred or have been performed:

a. You make application for CT's consent to assignment of the Agreement to your corporation and provide CT with a copy of your certificate of incorporation, articles of incorporation and disclose the names and addresses of all officers, directors and shareholders of the corporation and the percentages of stock in the corporation each stockholder will hold;

b. You pay CT an assignment fee in an amount to be determined by CT at the time of the assignment; and

c. You execute and deliver to CT an assignment agreement which includes the following terms:

    i. You remain personally liable for all terms, conditions and obligations under this Agreement;

    ii. Your corporation assumes liability with you for all terms, conditions, and obligations under this Agreement;

    iii. You shall continue to supervise and manage the operation of your COMPUTER EXPLORERS programs;

    iv. You shall own, hold and maintain not less than 75% of all voting stock in your corporation;

v. All stock in your corporation shall be subject to the restrictions provided in the assignment agreement; and

vi. All shareholders, officers and directors shall guaranty all your obligations to CT under this Agreement subject only to the extent allowed under applicable law.

9.07 **Ownership by Corporation or Other Legal Entity.** If you sign this Agreement as a corporate franchisee or other legal entity such as a partnership as well as personally, you shall deliver to CT a written list of the names and addresses of all stockholders or interest holders and the amount and percentage of stock or other interest to be owned by each. All stockholders or interest holders shall be bound individually to all the terms, conditions and obligations of this Agreement. You shall also provide a list of all officers and directors and copies of the signed confidentiality and non-compete agreements.

9.08 **Change of Corporate Ownership.** If, during the term of this Agreement, any shareholder or interest holder of a corporation owning the Franchise proposes to sell his stock or if the corporation proposes to issue or transfer shares of stock to a third party, the proposed purchaser or third party shall be first approved by CT, in writing, before same becomes effective. This approval shall not be unreasonably withheld by CT and the shareholder or interest holder shall agree to guaranty the obligations of the corporation under this Agreement and be bound by this Agreement as if they individually executed it. If the sale or transfer of stock involves twenty-five percent (25%) or more of the capital stock of the corporation, the requirements of Paragraph 9.04 shall apply.

9.09 **Share Certificates.** All stock certificates of any corporation which executes this Agreement shall make reference to the restrictions as found in Paragraphs 9.06, 9.07 and 9.08 of this Agreement so as to make same a binding restriction on transferability in accordance with the corporate laws of the state in which the corporation is formed.

9.10 **Invalid Transfer of Business.** No transfer of your interest in the franchised COMPUTER EXPLORERS business or other entity owning the Franchise shall be effective until your proposed transferee has been approved by CT and has executed all Agreements with CT that CT currently requires of a new franchisee. Except as provided for in this Agreement, the Franchised Business may not be transferred, sold, assigned, pledged, hypothecated, or encumbered in any way, by operation of law or otherwise. Any attempt to do so shall immediately effect the termination of this Agreement.

10.0 TERMINATION BY CT.

10.01 **Right of Termination for Cause With Opportunity to Cure**. Upon the occurrence of any event of default specified in Paragraph 10.02 below, CT shall have the right to terminate this Agreement. Such termination shall be effective thirty (30) days after written notice is given by CT to you of the event of default, and of the fact that termination shall occur if all the defaults specified in such notice are not cured within such thirty (30) day period. Notice shall be deemed given from the date on which the written notice is deposited in the U.S. Postal Service, postage paid, certified mail, return receipt requested and addressed to you at your last known mailing address. To the extent that any provisions of this Agreement provide for periods of notice less than those provided by any applicable law, or provide for termination other than in accordance with such applicable law, then such provisions shall be modified to the extent necessary to comply with the provisions of such applicable law.

10.02 **Defaults With Opportunity to Cure.** The following shall each constitute default by you under this Agreement, for which CT may terminate in accordance with Paragraph 10.01 above:

a. failure to pay any sums due, report Gross Sales, or provide the financial statements required by Paragraph 4.13 to CT pursuant to the terms of this Agreement; or

b. failure to pay any of the sums due CT, affiliate of CT, or third party, pursuant to the terms of any lease (except premises lease or sub-lease, in that event Paragraph 10.04 applies), sub-lease, equipment lease, Franchise Agreement, commercial note or other agreement between you and CT, an affiliate of CT, or a third party, or failure to pay a creditor when the obligation is guaranteed by CT; or

c. failure to meet your minimum sales quotas for your territory. A one-hundred-eighty (180) day cure period is given for the first time you fail to meet minimum sales quotas; or

d. failure to comply with any of your obligations under this Agreement other than those set out in Paragraph 10.04.

10.03 **Right of Termination for Cause Without Opportunity to Cure.** Upon the occurrence of any event of default specified in Paragraph 10.04 below, CT shall have the right to terminate this Agreement. Such termination shall be effective immediately upon CT giving you notice and with no opportunity to cure required. Notice shall be deemed given from the date on which the written notice is deposited in the U.S. Postal Service, postage paid, certified mail, return receipt requested and addressed to you at your last known mailing address. To the extent that any provisions of this Agreement provide for periods of notice less than those provided by any applicable law, or provide for termination other than in accordance with such applicable law, then such provisions shall be modified to the extent necessary to comply with the provisions of such applicable law.

10.04 **Defaults Without Opportunity to Cure.** The following shall each constitute default by you under this Agreement, for which CT may terminate in accordance with Paragraph 10.03 above:

a. Any default under any lease or sub-lease covering the premises where your COMPUTER EXPLORERS is located, which results in legal action being commenced to terminate said lease or sub-lease; or

b. If you are insolvent (as revealed by your books and records or otherwise); if you shall be adjudicated a bankrupt, or a voluntary or involuntary Petition in Bankruptcy or any other arrangement under the bankruptcy laws shall be filed by or against you; or if you shall make an assignment for the benefit of creditors; or if a receiver or trustee in bankruptcy or similar officer, temporary or permanent, is appointed to take charge of your affairs or any of your property; or if dissolution be commenced by or against you; or if any judgment against you remains unsatisfied or unbonded of record for fifteen (15) days; or

c. If you shall attempt to assign this Agreement or transfer the COMPUTER EXPLORERS Franchise to another, without the prior written consent of CT, or if an assignment of this Agreement shall occur by operation of law, or by reason of the judicial process; or

d. If you shall attempt to assign, transfer or convey any or all of the Marks or the goodwill attached to the Marks, or if you shall use, or permit the use of any or all of the Marks or the Marks' goodwill in derogation of CT's rights pursuant to this Agreement, or if you shall use any or all of the Marks permit the use of said trademarks, service marks, logo types or the goodwill, in a manner, or at a location not authorized by CT pursuant to the terms of this Agreement; or

e. If you block or obstruct in any way or attempt to block or obstruct in any way CT's retrieval of financial information, including Sales Reports, from your computer; or

f. If you attempt to sell or otherwise transfer the assets of the COMPUTER EXPLORERS Franchised Business independent and separate from your interest in the Franchise.

11.0 YOUR RESTRICTIONS.

11.01 **Your Non-compete Covenants - (During Term of Franchise Agreement).** CT and you agree that CT would be irreparably damaged if you should operate Computer Educational Program Business and related business services or other business offering these services in whole or in part unauthorized by CT during the existence of this Agreement. You agree, because of considerations, including the trade secrets, the knowledge and training to operate a COMPUTER EXPLORERS business and other technical and business information provided by or resulting from operation under this Agreement, that, during the term of this Agreement, you shall not directly or indirectly, by virtue of being an employee, proprietor, a partner, stockholder, agent, through family relationships, or by financing or investing in same, be associated with a Computer Educational Program business and related services business, or other business offering these services in whole or in part within anywhere in the United States, unless the association is approved by CT in writing.

Because of the irreparable injury which will be caused by breach of this provision, you understand and agree to the issuance of a temporary injunction by a court of proper jurisdiction to protect CT from the breach. "You" includes corporations, partnerships and individuals who are bound by this Agreement by virtue of execution of this Agreement, ownership of stock, or transfer of any interest of this Agreement. If any of the above noted restrictions are ever determined, as of the date of enforcement, to be unlawful or unreasonable under applicable state law, then in this event, the covenants here and above which purport to restrict your activities are amended to provide that the restrictions shall apply for the maximum time and geographic scope permitted by applicable state law.

11.02 **Your Non-compete Covenants - (Expiration or Termination of this Agreement - Trade Area of This Franchise).** CT and you agree that CT would be irreparably damaged if you should operate a Computer Educational Program and related services business, or other business offering these services in whole or in part in the territory served by this COMPUTER EXPLORERS Franchise for a period of time after the expiration or termination of this Agreement for any reason. You agree, because of considerations, including the trade secrets, the knowledge and training to operate a COMPUTER EXPLORERS Franchise and other technical and business information provided by or resulting from operation under this Agreement, that, for a period of two (2) years after expiration or termination of this Agreement for any reason, you shall not:

a. directly or indirectly, by virtue of being an employee, proprietor, a partner, stockholder, agent, through family relationship or by financing or investing in same, be associated with a Computer Educational Programs and related services business, or other business offering these services in whole or in part, within the territory served by this COMPUTER EXPLORERS Franchise. For the purposes of this section, the territory served by this COMPUTER EXPLORERS Franchise shall be as defined in the Development Territory Addendum to this Franchise Agreement;

b. solicit the business of or make contact with the customers of your COMPUTER EXPLORERS business for any business purpose; and

c. persuade, entice or attempt to persuade or entice any of your prior employees to discontinue employment with your COMPUTER EXPLORERS business.

Because of the irreparable injury which will be caused by breach of this provision, you understand and agree to the issuance of a temporary injunction by a court of proper jurisdiction to protect CT from the breach. "You" includes corporations, partnerships and individuals who are bound by this Agreement by virtue of execution of this Agreement, ownership of stock, or transfer of any interest under this Agreement. If you do not comply with the covenants as of the date they would go into force and under the terms of this Agreement, then the time the covenants begin to run shall commence on the later of either the date at which you do begin to comply with the covenants, or the date at which a court order compelling this compliance goes into effect. If any of the above-noted restrictions are ever determined, as of the date of enforcement, to be unlawful or unreasonable under applicable state law, then these covenants which purport to restrict your activities are amended to provide that the restrictions shall apply for the maximum time and geographic scope permitted by applicable state law.

11.03 **Your Non-compete Covenant (Expiration or Termination of this Agreement - Territory of Other COMPUTER EXPLORERS Franchises).** CT and you agree that CT would be irreparably damaged if you should operate a Computer Educational Programs and related services business, or other business offering these services in whole or in part in the territory, as defined in the individual Franchise Agreements, served by any other COMPUTER EXPLORERS Franchise for a period of time after the expiration or termination of this Agreement for any reason. You agree, because of consideration, including the trade secrets, the knowledge and training to operate a COMPUTER EXPLORERS business and other technical and business information provided by or resulting from operation under this Agreement that, for a period of two (2) years after expiration or termination of this Agreement for any reason, you shall not: directly or indirectly, by virtue of being an employee, proprietor, a partner, stockholder, agent, through family relationships or by financing or investing in same, be associated with services and sale of marketing material and related services business, or other business offering these services in whole or in part, within the territory or any other COMPUTER EXPLORERS Franchise.

Because of the irreparable injury which will be caused by breach of this provision, you understand and agree to the issuance of a temporary injunction by a court of proper jurisdiction to protect CT from the breach. "You" includes corporations, partnerships and individuals who are bound by this Agreement by virtue of execution of this Agreement, ownership of stock, or transfer of any interest under this Agreement. If you do not comply with the aforesaid covenants as of the date they would go into force and under the terms of this Agreement, then the time the covenants begin to run shall commence on the later of either the date at which you do begin to comply with the covenants, or the date at which a court order compelling your compliance goes into effect. If any of the above-noted restrictions are ever determined, as of the date of enforcement, to be unlawful or unreasonable under applicable state law, then in such event, the covenants indicated above which purport to restrict your activities are amended to provide that the restrictions shall apply for the maximum time and geographic scope permitted by applicable state law.

11.04 **Your Covenant Regarding Trade Secrets and Other Confidential Information.** You agree, because of considerations, including the trade secrets and the knowledge and training to operate a COMPUTER EXPLORERS and other technical and business information provided by or resulting from operation of this Agreement, you shall not, during the term of this Agreement (except as is required in the operation of the COMPUTER EXPLORERS business) nor at any time after termination for any reason or expiration, disclose or use the information contained in CT's manuals, CT's trade secrets, curriculums, the knowledge and training to operate a COMPUTER EXPLORERS business or other technical or business information provided or resulting from operation under this Agreement, or to make copies of CT's manuals or any documents containing the trade secrets, the knowledge and training to operate a COMPUTER EXPLORERS business or other technical or business information provided or resulting from operation under this Agreement. This other "technical or business information" includes customer names, addresses and requirements, confidential information concerning pricing methodology and structures, advertising formats, sales promotion formats, accounting systems, business methods and procedures, equipment or product studies and evaluations, and maintenance and systems of operation.

Because of the irreparable injury which will be caused by breach of this provision, you understand and agree to the issuance of a temporary injunction by a court of proper jurisdiction to protect CT from the breach. "You" includes corporations, partnerships and individuals who are bound by this Agreement by virtue of execution of this Agreement, ownership of stock, or transfer of any interest under this Agreement. If you do not comply with the aforesaid covenants as of the date they would go into force and under the terms of this Agreement, then the time the covenants begin to run shall commence on the later of either the date at which you do begin to comply with the covenants, or the date at which a court order compelling this compliance goes into effect. If any of the above-noted restrictions are ever determined, as of the date of enforcement, to be unlawful or unreasonable under applicable state law, then in that event, these covenants which purport to restrict your activities are amended to provide that the restrictions shall apply for the maximum time and geographic scope permitted by applicable state law.

11.05 **Definition of the Term "Expiration".** The term "expiration" as used in this section of the Agreement and elsewhere is defined to be an event of termination resulting from mere lapse of time.

12.0 TERMINATION BY YOU.

You are not, by any express provision of this Agreement, given any rights to terminate this Agreement prior to the expiration of the term, or any renewal period.

13.0 RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION.

Upon expiration or termination of this Agreement for any reason:

13.01 You shall immediately report all sales to the date of termination or expiration.

13.02 You shall immediately pay CT all sums or amounts due to CT to the date of termination or expiration.

13.03 You shall immediately pay for any sums or amounts due to business accounts guaranteed by CT.

13.04 You shall immediately cease to represent yourself as a franchise of CT and discontinue the use of the Marks, trade secrets, the knowledge and training to operate a COMPUTER EXPLORERS business, and any technical or business information provided or resulting from operation under this Agreement and CT's methods and techniques in any form or colorable imitation.

13.05 The business telephone number for the COMPUTER EXPLORERS business is, by this Agreement, assigned to CT and you agree to execute any documents which may be necessary or desirable to effect the transfer. You appoint CT as your agent to effect the transfer with the telephone service provider. You are liable for all telephone charges incurred prior to the transfer and agree to hold the telephone service provider harmless from any and all liability or claims arising out of the transfer of the telephone number.

13.06 You shall promptly return to CT at its corporate headquarters all documents, software, records and copies comprising, referring to or reflecting the trade secrets, the knowledge and training to operate a COMPUTER EXPLORERS business or any technical or business information provided or resulting from operation under this Agreement, including CT's manuals, curriculums, a current customer list, customer files and any documents necessary to create a list of the names and addresses and requirements of the current customers of your COMPUTER EXPLORERS business.

13.07 You shall promptly dispose of all stationery, printed matter, signs and advertising materials containing any of the Marks as directed by CT at your expense.

13.08 You shall comply with all non-compete provisions in this Agreement.

14.0 ARBITRATION.

14.01 **Notice of Dispute from you to CT.** Any dispute, controversy, or claim asserted by you arising out of or relating to this Agreement or any alleged breach of this Agreement, including any claim that this Agreement or any part of it is invalid, illegal, or otherwise voidable or void, shall be submitted to the management of CT for attempted resolution before the institution of any other procedures or the seeking of any other remedies. You shall give CT written notice by personal service or certified mail to the chief executive officer of CT of any such claim or controversy and shall allow CT fourteen (14) days from the date of personal service or certified mailing to resolve the dispute before undertaking any other procedures or seeking any other remedies. Notwithstanding anything to the contrary in this Paragraph 14.01, you may seek temporary injunctive relief without notice to CT.

14.02 **Your Obligation to Arbitrate.** After the notice of dispute referenced in Paragraph 14.01 has been received and the fourteen (14) days have passed without a resolution of the dispute, CT, at its sole option, shall have the right to require you to arbitrate any and all claims, disputes, and other matters in question arising out of or relating to this Agreement or the alleged breach of this Agreement. If CT, within ten days of the time that the fourteen (14) days has passed without a resolution, does not require arbitration, you may proceed with any procedure or remedy which you deem necessary. If you attempt to pre-empt CT's option to arbitrate by filing suit, then you agree to an abatement of such lawsuit so that your obligation to arbitrate can be performed. Further, you agree to pay all of your attorney fees and costs and to not seek or accept any indemnification for attorney fees and costs, including filing fees, expert witness fees, investigative fees, expenses related to appeals, post judgment enforcement, expenses of depositions, trial expenses, travel, lodging, food, and any other expense associated with any procedure or remedy undertaken by you in an attempt to pre-empt CT's option to arbitrate. The provision stated in the preceding sentence regarding attorney's fees and costs does not apply to a procedure or remedy initiated by you after CT elects, by action or inaction, to not exercise its option to arbitrate during the period of time prescribed in this Paragraph 14.02. This paragraph is subject to the provisions of Paragraph 14.05 below.

14.03 **Notice of Dispute from CT to you.** Any dispute, controversy, or claim asserted by CT arising out of or relating to this Agreement or any alleged breach of this Agreement shall be submitted to you for attempted resolution before the institution of any other procedures or the seeking of any other remedies. CT shall give you written notice by personal service or certified mail of any such claim or controversy and shall allow you fourteen (14) days from the date of personal service or certified mailing to resolve the dispute before undertaking any other procedures or seeking any other remedies. Notwithstanding anything to the contrary in this Paragraph 14.03, CT may seek temporary injunctive relief without notice to you.

14.04 **CT's Obligation to Arbitrate.** After the notice of dispute referenced in Paragraph 14.03 has been received and the fourteen (14) days have passed without a resolution of the dispute, you, at your sole option, shall have the right to require CT to arbitrate any and all claims, disputes, and other matters in question arising out of or relating to this Agreement or the alleged breach of this Agreement. If you, within ten days of the time that the fourteen (14) days has passed without a resolution, do not require arbitration, CT may proceed with any procedure or remedy which it deems necessary. If CT attempts to pre-empt your option to arbitrate by filing suit, then CT agrees to an abatement of such lawsuit so that CT's obligation to arbitrate can be performed. CT also agrees to pay all of its attorney fees and costs and to not seek or accept any indemnification for attorney fees and costs, including filing fees, expert witness fees, investigative fees, expenses related to appeals, post judgment enforcement, expenses of depositions, trial expenses, travel, lodging, food, and any other expense associated with any procedure or remedy undertaken by CT in an attempt to pre-empt your option to arbitrate. The provision stated in the preceding sentence regarding attorney's fees and costs does not apply to a procedure or remedy initiated by CT after you elect, by action or inaction, to not exercise your option to arbitrate during the period of time prescribed in this Paragraph 14.04. This paragraph is subject to the provisions of Paragraph 14.05 below.

14.05 **Dual Remedies for Injunctive Relief and Damages.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, AND BY THIS BOLD AND CONSPICUOUS LANGUAGE, THE PARTIES AGREE THAT, WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS AGREEMENT OR RELATING TO THIS AGREEMENT CONCERNING WHICH BOTH INJUNCTIVE RELIEF AND DAMAGES ARE COLORABLY APPLICABLE, EITHER PARTY IS EXPRESSLY PERMITTED TO SEEK INJUNCTIVE RELIEF THROUGH THE FILING OF A LAWSUIT AND, CONTEMPORANEOUSLY, TO SEEK DAMAGES THROUGH THE ARBITRAL PROCESS. NEITHER PROCEDURE SHALL PRECLUDE THE OTHER, AND NEITHER PROCEDURE SHALL NECESSARILY PRECEDE THE OTHER. THIS IS A DISCRETIONARY RIGHT AND NOT AN OBLIGATION.IN THE FINAL ARBITRAL RULING, THE ARBITRATORS SHALL HAVE THE RIGHT TO MODIFY OR VACATE ANY ORDER IN THE NATURE OF A TEMPORARY INJUNCTION GRANTED BY ANY COURT INCIDENT TO THE DISPUTE ARBITRATED. ANY ORDER IN THE NATURE OF A PERMANENT INJUNCTION ISSUED PRIOR TO THE FINAL ARBITRAL RULING SHALL NOT BE MODIFIED OR VACATED BY THE ARBITRATORS.

14.06 **Arbitration Rules.** The arbitration tribunal shall consist of three arbitrators, one each selected by CT and you and the third selected by the two selected arbitrators. If either CT or you fail to select an arbitrator within ten days of receipt of a request for selection from the other party or from the American Arbitration Association or if the arbitrators selected by CT and you are unable to agree on the selection of the third arbitrator within ten days of their selection, the arbitrators shall be appointed according to the rules of the American Arbitration Association. If any arbitrator selected by a party shall fail to serve or shall be unable to discharge her or his duties, that arbitrator shall be replaced by the party who appointed that arbitrator and in the same manner of selection; if the third arbitrator fails to serve, the arbitrator shall be selected in accordance with the above procedure for the selection of the third arbitrator and within ten days after a request from either CT or you.

The arbitration shall be conducted under the rules of the American Arbitration Association for the conduct of arbitral hearings or under such generally accepted reasonable rules for arbitral hearings as the arbitrators may themselves select. The arbitrators shall have no authority to add, delete, or modify in any manner the terms and provisions of this Agreement. All findings, judgments, decisions, and awards of the arbitrators will be limited to the dispute or controversy described in the written demand for arbitration. All findings, judgments, decisions, and awards by the arbitrators shall be in writing and be made no later than ten days after the arbitration hearings have been completed, and the same shall be final and binding on CT and you. The award may be entered in any court having jurisdiction, but this provision shall not be construed to limit the rights of either party to apply to any court having jurisdiction for injunctive relief should injunctive relief not have been addressed outside the arbitration process or by the arbitrators. The substantive law of the State of Texas shall be applied by the arbitrators. An award may be entered against a party even if that party fails to appear at the arbitration proceeding(s). Any arbitration taking place pursuant to this Agreement shall be conducted exclusively in Houston, Texas.

14.07 **Costs and Attorney's Fees Related to Arbitration.** All parties will be solely responsible for their own legal fees and costs related to arbitration. The parties also will be responsible for a proportionate share of any fees and costs assessed as a whole. Paragraph 14.07 does not apply to legal fees and costs related to injunctive relief sought pursuant to Paragraph 14.05. Paragraph 14.07 also does not apply to legal fees and costs related to a procedure or remedy initiated after the other party elects, by action or inaction, to not exercise its option to arbitrate during the prescribed period of time.

14.08 **Withholding Payments.** During the pendency of any controversy, claim, or dispute, you agree not to withhold payment of any Franchise Service Fee or any other amounts owed to CT, and you agree that you will not be entitled to any deduction or set-off of any kind against Franchise Service Fees or any other amounts owed to CT.

15.0 MISCELLANEOUS CLAUSES.

15.01 **Hold Harmless.** You shall defend, indemnify and hold CT harmless from and against any and all claims, any liability, costs, expense (including attorney's fees) incurred by you in the operation of the business or arising out of your operation of a COMPUTER EXPLORERS business pursuant to this Agreement, or incurred by you for failure to obtain insurance, as required by Paragraph 7.0 of this Agreement.

15.02 **Permits and Licenses.** You shall take and maintain current all permits and licenses to do business required in the area in which you do business and is required to maintain the COMPUTER EXPLORERS business in compliance with governmental regulation and authority.

15.03 **Taxes and Accounts Payable.** You shall make timely payment of all indebtedness incurred in the operation of the COMPUTER EXPLORERS business. You shall pay to CT [or any subsidiary, affiliate, or designee] promptly and when due the amount of all sales taxes, use taxes, personal property taxes, and similar taxes imposed upon, required to be collected, or paid by CT on the account of services or goods furnished by CT to you through sale, lease, or otherwise, or on account of collection by CT of the initial franchise fee, start-up costs, pre-paid operating expenses, continuing or minimum Franchise Service Fees, or any other payments to CT called for by this Agreement.

15.04 **Performance.** Where possible, all performance under this Agreement shall be at CT's offices in Texas.

15.05 **Your Agreement as to Franchise Operation.** You shall abide by all lawful and reasonable policies and regulations issued by CT in connection with your operations under this Agreement and all matters arising under this Agreement.

15.06 **Governing Law; Jurisdiction and Venue.** This Agreement shall be deemed made under, and governed by, the law of the State of Texas, in all respects, including matters of interpretation, validity, construction, performance and/or enforcement. You and CT stipulate that the principal office of CT is in the State of Texas and all payments by you to CT are to be made in the State of Texas and that the law of the State of Texas can be and has been contracted to be the controlling law.

You consent to the jurisdiction and venue of any court (State or Federal) of general jurisdiction in Harris County, Texas, specifically including the United States District Court for the Southern District of Texas, Houston Division, for the purpose of any action or proceeding brought to secure payment of the sums due under this Agreement or to secure or enforce the performance of any of the terms, covenants and conditions of this Agreement. You further agree to bring any legal proceedings arising out of this Agreement or the franchise relationship between the parties only in the courts mentioned above.

15.07 **Attorney's Fees and Other Contract Enforcement Expenses.** You shall indemnify and hold harmless CT from all attorney's fees, expert witness fees, accountant fees, collectors' fees, private investigator fees, any other professionals' fees (including in-house attorneys, collectors, professionals and staff) and all expenses related to collection of past due fees due under this Agreement, investigations, filing and prosecuting a lawsuit, injunctive relief sought under Paragraph 14.05, all appeals and post-judgment enforcement, including expenses of depositions, trials, travel, lodging and food as a direct or indirect result of any default or suspected default by you under this Agreement or other obligation(s) to CT. You agree that the foregoing indemnity includes all fees and expenses incurred or estimated to be incurred by CT whether or not a lawsuit is filed or judgment obtained. You agree further that any or all of CT's fees and expenses may be charged to you along with Franchise Service Fees and your failure to pay any fees and expense charged to you under this section shall constitute a material default by you of the Franchise Agreement. You waive presentment of claim and stipulate that any attorney's fees under $200.00 per hour with any aggregate fees in an amount less than 50% of CT's claims is reasonable. Paragraph 15.07 does not apply to attorney's fees, costs and expenses incurred as a result of arbitration as described in Paragraph 14.07. Paragraph 15.07 also does not apply to attorney's fees, costs and expenses incurred as a result of a suit filed by CT in an attempt to preempt your option to arbitrate as described in Paragraph 14.04.

If any fees or expenses are charged, CT shall invoice you for the fees or expenses and your payment of these fees and expenses shall be due and payable immediately when invoiced.

15.08 **Waiver.** Failure of CT to enforce any of the provisions of this Agreement shall not constitute a waiver of rights or a waiver of any subsequent enforcement of the provisions of this Agreement.

15.09 **Severability.** If any provisions of this Agreement or any part of this Agreement is declared invalid by any court of competent jurisdiction, the act shall not affect the validity of this Agreement, and the remainder of this Agreement shall remain in full force and effect according to the terms of the remaining provisions or parts of the provisions.

15.10 **Notices.** Notices provided for in this Agreement may be delivered either in person or by certified mail, postage paid, return receipt requested, to the other party at the address stated in this Agreement or at any address as the other party may designate.

15.11 **Captions.** Captions of Paragraphs or Articles or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

15.12 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original, that all counterparts shall constitute one and the same instrument.

15.13 **Entire Agreement.** This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

15.14 **Joint and Several Liability.** If this Agreement is signed by more than you, then the liability, if any, of all persons to CT under this Agreement shall be joint and several.

15.15 **No Oral Modifications.** This Agreement may not be modified except in writing signed by both parties. Any inducements, representations, promises or commitments, oral or otherwise, not embodied in this Agreement, shall be of no force or effect.

FRANCHISEE HAS NOT RELIED ON ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL SUCCESS OR PROJECTED INCOME OF THE BUSINESS VENTURE CONTEMPLATED IN THIS AGREEMENT. NO REPRESENTATIONS OR PROMISES HAVE BEEN MADE BY FRANCHISOR TO INDUCE FRANCHISEE TO ENTER INTO THIS AGREEMENT EXCEPT AS SPECIFICALLY INCLUDED IN THIS AGREEMENT. FRANCHISOR HAS NOT MADE ANY REPRESENTATION, WARRANTY OR GUARANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL REVENUES, PROFITS OR SERVICES OF THE BUSINESS VENTURE TO FRANCHISEE AND CANNOT, EXCEPT UNDER THE TERMS OF THIS AGREEMENT, EXERCISE CONTROL OVER FRANCHISEE'S BUSINESS. FRANCHISEE ACKNOWLEDGES AND AGREES THAT IT HAS NO KNOWLEDGE OF ANY REPRESENTATION MADE BY FRANCHISOR OR ITS REPRESENTATIVES OF ANY INFORMATION THAT IS CONTRARY TO THE TERMS CONTAINED IN THIS AGREEMENT.

15.16 **Previous Course of Dealing.** No previous course of dealing or usage of trade not specifically described in this Agreement shall be admissible to explain, modify or contradict this Agreement.

15.17 **Terminology.** All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Agreement or any section, paragraph or clause this Agreement may require, as if the words had been fully and properly written in the appropriate number and gender.

15.18 **Cumulative Rights and Remedies.** All rights and remedies conferred upon or reserved to the parties in this Agreement shall be cumulative and concurrent and shall be in addition to every other right or remedy given to the parties in this Agreement or at law or in equity or by statute and are not intended to be exclusive of any other right or remedy. The termination or expiration of this Agreement shall not deprive the parties of any of their rights or remedies against the other to enforce at law or in equity any of the rights or remedies of either party.

IN WITNESS OF THIS AGREEMENT, each of the undersigned acknowledges having read this Agreement, understands and consents to be bound by all of its terms and conditions, and agrees it shall become effective on the date executed by CT.

Computertots, Inc.

By______________________________
PRESIDENT

Date:______________________________

____
FRANCHISEE

Date:______________________________

ATTEST:

____
SECRETARY

Date:______________________________

____
FRANCHISEE

Date:______________________________

Computer Explorers

EXHIBIT A.1

FRANCHISE ACCEPTANCE LETTER

Dear ____________________,

On behalf of the entire ICED family, I'm pleased to award you the offer to own a COMPUTER EXPLORERS franchise. Your acceptance of this award will be made official by signing and returning this Franchise Acceptance Letter with your deposit of $2,500.00.

Upon receipt, together we will work on defining the principal business area for your COMPUTER EXPLORERS territory. When the principal business area is set, the Franchise Agreement and other necessary documents will be mailed to you. After reviewing the documents for the necessary time period, you'll sign and return them to us with the Initial Franchise Fee balance of $15,000.00.

The COMPUTER EXPLORERS operations and training team will then work closely with you in setting the classroom training date and with all the pre-training steps. You will receive various training materials and exercises to complete before classroom training. These materials will assist you as you transition to franchise owner.

Once again, I congratulate you on earning an award of a COMPUTER EXPLORERS franchise. We certainly look forward to a close working relationship that I believe will prove to be mutually profitable.

Best regards,

I accept the invitation to become a COMPUTER EXPLORERS Franchisee.

Signed: ________________________________ Dated: ____________________________

EXHIBIT A.2

ADDENDUM TO COMPUTER EXPLORERS FRANCHISE AGREEMENT

This ADDENDUM TO COMPUTER EXPLORERS FRANCHISE AGREEMENT (the "Addendum") is made and entered into on ______________________________, 20______, by and between Computertots, Inc., a Texas corporation located at 12715 Telge Road, P.O. Box 777, Cypress, Texas 77429 ("Franchisor"), and ____, a ____________________________ located at __________________________________ ("Franchisee").

RECITALS: Franchisor and Franchisee entered into a Franchise Agreement on __________________, 20___ (the "Franchise Agreement"). Franchisee agreed among other things to operate and maintain a franchise located at __________________________________ designated by Franchisor as Unit #________. Franchisee has obtained from a lender a loan (the "Loan") in which funding is provided with the assistance of the United States Small Business Administration (the "SBA"). The SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. If SBA-assisted financing is being obtained by Franchisee for the purchase of the franchise, the parties agree that all terms in the Franchise Agreement and this addendum are in full force and effect upon receipt of all funds required by Franchisor for the purchase. If SBA-assisted financing is being obtained to finance ongoing operations of an existing franchise, the parties represent that the Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured as of the date hereof.

2. Under Section 9.03 of the Franchise Agreement, Franchisor will not unreasonably withhold, delay or condition its consent to any proposed sale or transfer or by Franchisee that requires Franchisor's consent.

3. This Addendum automatically terminates on the earliest to occur of the following: (i) a termination occurs under the Franchise Agreement; (ii) the Loan is paid; or (iii) the SBA no longer has any interest in the Loan.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum to COMPUTER EXPLORERS Franchise Agreement as of the day and year first above written.

FRANCHISOR: ____________________	**FRANCHISEE:**
COMPUTERTOTS, INC.	______________________________
By:______________________________	By:______________________________
Name: ___________________________	Name: ___________________________
Title: ____________________________	Title: ____________________________

EXHIBIT B

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS

States Where We Have Registered This Disclosure Document or Applied for Registration

STATE	STATE ADMINISTRATORS	ADMINISTRATOR'S ADDRESS	EFFECTIVE DATE
California	Department of Corporations	320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105	
Florida	Department of Agriculture & Consumer Services – Division of Consumer Services	Mayo Building, 2nd Floor Tallahassee, FL 32399-0800	
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706	
Minnesota	Commissioner of Commerce	85 7th Place East, Suite 500 St. Paul, MN 55101 (651) 296-6328	
New York	New York State Department of Law	120 Broadway, 23rd Floor New York, NY 10271	
Wisconsin	Commissioner of Securities	345 West Washington, 4th Floor Madison, WI 53703	

COMPANY	AGENTS FOR SERVICE OF PROCESS	AGENT'S ADDRESS
ICED	In Texas: CT Corporation System	350 North St. Paul Street Dallas, TX 75201-4234
ICED	In Delaware: The Corporation Trust Company	1209 Orange Street Wilmington, DE 19801
I.C.E.D. Management, Inc.	In Delaware: The Corporation Trust Company	1209 Orange Street Wilmington, DE 19801
Computertots, Inc.	In Texas: CT Corporation System	350 North St. Paul Street Dallas, TX 75201-4234
Computertots, Inc.	In California: Department of Corporations	320 West 4th Street Los Angeles, California 90013-2344
Computertots, Inc.	In Illinois: Office of the Attorney General	500 South Second Street Springfield, Illinois 62706
Computertots, Inc.	In Minnesota: Commissioner of Commerce	85 7th Place East, Suite 500 St. Paul, MN 55101-2198
Computertots, Inc.	In New York: New York Secretary of State	99 Washington Avenue Albany, NY 12231

EXHIBIT C

ROSTER OF

COMPUTER EXPLORERS

FRANCHISEES/TERRITORIES

COMPUTER EXPLORERS FRANCHISE OWNER ROSTER
DECEMBER 2016

STATE	CENTER NUMBER	FRANCHISE OWNER	STREET ADDRESS	CITY/STATE/ZIP	PHONE
CO	209	Ross & Rebecca Parrent	12650 W. 64 Street, #E209	Arvada, CO 80004	(877) 266-7859
DE	80	Veronica Deely	600 Giffin Court	Hockessin, DE 19707	(302) 234-1257
FL	63	Bruce Bertan	11328 Palm Pasture Drive	Tampa, FL 33635	(813) 818-0804
IL	268	Joan Kusnierz	406 North 6th Avenue	Addison, IL 60101	(630) 228-1267
IL	14	Lori Gross	P.O. Box 1047	Deerfield, IL 60015	(847) 259-3630
IL	21	Karen Salvino	1361 Hastings Road	Woodridge, IL 60517	(630) 605-7789
LA	88	Kelly Coreil	13441 Tiger Bend Road, Suite G	Baton Rouge, LA 70817	(225) 485-6633
MA	109	Gary & Norma Davis	10 Carter Road	Shrewsbury, MA 01545	(508) 842-5800
MN	105	Lana Dang-Thomsen	2936 Ontario Road	Little Canada, MN 55117	(651) 730-9910
MS	93	Helen Pinkerton	102 Hidden Hills Drive	Madison, MS 39110	(601) 853-0607
MS	185	Libby Willard	14288 Santa Fe Drive	Olive Branch, MS 38654	(662) 890-4821
NY	56	Lori Longo & Cathy Mead	6 Farm Lane	Levittown, NY 11756	(516) 731-3766
PA	52	Hans Wagner	5224 Vera Cruz Road	Center Valley, PA 18034	(610) 797-8580
PA	20	Alan Oppenheimer	104 Wooded Eagle Court	Exton, PA 19341	(610) 524-1555
TN	251	Ron Williams	2654 Brookstone Loop	Chattanooga, TN	(907) 230-8139
TX	207	Computertots, Inc.	12715 Telge Road	Cypress, TX 77429	(281) 256-4119
WI	220	Amy B. Masters	10204 N. Hayden Court	Mequon, WI 53097	(414) 870-1346
Total Centers		17			

EXHIBIT D

FRANCHISEES WHO HAVE LEFT THE COMPUTER EXPLORERS FRANCHISE SYSTEM

Franchisees Having Left the COMPUTER EXPLORERS System For the Year 2016

STATE	CENTER NUMBER	FRANCHISE OWNER	STREET ADDRESS	CITY/STATE/ZIP	PHONE	EFFECTIVE DATE	NUMBER OF TERRITORIES
CT	190	Alice Lee	64 Kingswood Drive	Bethel, CT 06801	(203) 207-0020	8/12/16	1
MS	128	Carolyn Boles	4902 C. A. Pickard Road	Meridian, MS 39301	(601) 917-8636	6/30/16	1
NC	2	Anne & Robert Mullet	4864 Webbs Chapel Road	Denver, NC 28037	(704) 966-0072	8/31/16	1
NJ	44	David Rhodes	135 Prospect Street	Leonia, NJ 07605	(201) 585-9666	6/30/16	1
NJ	19	Debra Moorer	381 Landing Street	Lumberton, NJ 08048	(609) 265-2868	10/31/16	1
NJ	136	Debra Moorer	381 Landing Street	Lumberton, NJ 08048	(609) 265-2868	10/31/16	1
NV	31	Elizabeth Kennedy	2455 Marlene Court	Henderson, NV 89014	(702) 898-8687	12/20/16	1
NY	3	Christine Landers	14 Briarwood Drive	Wappingers Falls, NY 12590	(845) 838-0803	6/30/16	1
NY	66	Lynn Paglia	3 Stemmer Lane	Suffern, NY 10901	(201) 652-1733	2/28/16	1

EXHIBIT F

STATE SPECIFIC ADDENDA AND GUARANTEE OF PERFORMANCE WHERE APPLICABLE

CALIFORNIA
ILLINOIS
INDIANA
MICHIGAN
MINNESOTA
NEW YORK
VIRGINIA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
COMPUTERTOTS, INC. D/B/A COMPUTER EXPLORERS

CALIFORNIA

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

In addition to the information provided in Item 3 of this Franchise Disclosure Document, the State of California requires that we inform you that neither the franchisor nor any person or franchise broker listed in Item 2 of this Franchise 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 such persons from membership in such association or exchange.

In addition to the information provided in Item 17 of this Franchise Disclosure Document, the State of California requires that we inform you of the following:

OUR WEBSITES WWW.COMPUTERTOTS.COM AND WWW.ICED.NET HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENTS OF THESE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT WWW.CORP.CA.GOV.

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. 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).

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, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. (See Article 14.0 of Franchise Agreement for specific provisions.) The arbitration will occur at Houston, Texas with the costs being born by each party as to their own costs and fees and a proportionate share of the fees and costs associated with the arbitration process. 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 Franchise Agreement requires application of the laws and forum of the state of Texas. This provision may not be enforceable under California law.

THE FRANCHISE AGREEMENT REQUIRES FRANCHISEE TO EXECUTE A GENERAL RELEASE OF CLAIMS UPON RENEWAL OR TRANSFER OF THE FRANCHISE AGREEMENT. CALIFORNIA CORPORATIONS CODE SECTION 31512 PROVIDES THAT ANY CONDITION, STIPULATION OR PROVISION PURPORTING TO BIND ANY PERSON ACQUIRING ANY FRANCHISE TO WAIVE COMPLIANCE WITH ANY PROVISION OF THAT LAW OR ANY RULE OR ORDER THEREUNDER IS VOID.

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Corporations to a solicitation of a proposed material modification of an existing franchise.

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

The agreements contain a liquidated damage clause, under Civil Code, Section 1671 certain liquidated damage clauses are unenforceable.

GUARANTEE OF PERFORMANCE

STATE OF CALIFORNIA

For value received, International Center for Entrepreneurial Development, Inc. (ICED) located at 12715 Telge Road, Cypress, Texas 77429, absolutely and unconditionally guarantees the performance by franchisor, Computertots, Inc., d/b/a COMPUTER EXPLORERS located at 12715 Telge Road, Cypress, Texas 77429 of all the obligations of, Computertots, Inc. d/b/a COMPUTER EXPLORERS under its franchise registration in the State of California dated April 19, 2016 and of its Franchise Agreement. This guarantee continues until all start-up and initial obligations of Computertots, Inc., d/b/a COMPUTER EXPLORERS as detailed in the franchise registration and franchise agreement are satisfied. International Center for Entrepreneurial Development, Inc. (ICED) is not discharged from liability if a claim arising from the start-up or initial obligation by the franchisee against Computertots, Inc., d/b/a COMPUTER EXPLORERS remains outstanding. Notice of acceptance is waived. Notice of default on the part of Franchisor is not waived. This guaranty is binding on guarantor and on its successors and assignees. International Center for Entrepreneurial Development, Inc. (ICED) executes this guarantee at Cypress, Texas on the 15th day of April, 2017.

ATTEST:

Jaclyn M. Croft

INTERNATIONAL CENTER FOR ENTREPRENEURIAL DEVELOPMENT, INC.

By Stephen B. Hammerstein

Stephen B. Hammerstein,
Chairman and CEO

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
COMPUTERTOTS, INC. D/B/A COMPUTER EXPLORERS

ILLINOIS

1. The following is added at the end of the charts in Item 17:

Illinois law (815 ILCS 705/4) provides that: "Any provision in the franchise agreement that designates jurisdiction or venue in a forum outside of this State is void provided that a franchise agreement may provide for arbitration in a forum outside of this State."

If the Franchise Disclosure Document or Franchise Agreement contains a provision that is inconsistent with Illinois law, Illinois law will govern.

ADDENDUM TO THE FRANCHISE AGREEMENT
COMPUTERTOTS, INC. D/B/A COMPUTER EXPLORERS

ILLINOIS

Pursuant to Sections 19 and 20 of the Illinois Franchise Disclosure Act, opportunity to cure (generally 30 days) and notice of default are required in most instances prior to termination or non-renewal, and the Franchise Agreement is so amended.

Section 4 of the Illinois Franchise Disclosure Act dictates that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this state is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State," and the Franchise Agreement is so amended.

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

Pursuant to the Illinois Franchise Disclosure Act, the governing law and choice of law provisions of this Franchise Agreement are amended to provide for Illinois law.

The International Center for Entrepreneurial Development, Inc. (ICED), absolutely and unconditionally guarantees the performance by franchisor, Computertots, Inc., d/b/a COMPUTER EXPLORERS, of all obligations under the Illinois Franchise Disclosure Act and Rules, and of all of the obligations of franchisor to furnish goods and/or services necessary to establish and open the business of franchisees to whom franchises are granted by franchisor pursuant to the registration of such franchises in the State Illinois and the terms and conditions of its franchise and other agreements entered into after this date with franchisees under the jurisdiction of the Illinois Franchise Disclosure Act, as the same have been or may hereafter be amended, modified, and renewed or extended from time to time.

_____________________________	_____________________________
Franchisor	Date
_____________________________	_____________________________
Franchisee	Date

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
COMPUTERTOTS, INC. D/B/A COMPUTER EXPLORERS

INDIANA

Indiana Law provides that,

1. Covenants not to compete must be limited to the exclusive area or reasonable size as determined by Indiana law, Indiana Code, Title 23, Article 2, Chapter 2.7-1(9) (Reference Item 17 r).

2. Franchisor must be liable for Integration/Merger clause statements. Only the terms of the Franchise Agreement and the terms stated in the Franchise Disclosure Document registered with the Commissioner of the State of Indiana are binding. Any other promises may not be enforceable. The Franchise Agreement and the Franchise Disclosure Document, which is on file with the Commissioner of the State of Indiana are the final agreement.

3. Indiana Franchise laws must apply in any jurisdiction and the Indiana franchisee has right of access to the Indiana Court, Indiana Code, Title 23, Article 2, Chapter 2.7-1 (10) (Reference Item 17 v and w).

ADDENDUM TO THE FRANCHISE AGREEMENT
COMPUTERTOTS, INC. D/B/A COMPUTER EXPLORERS

INDIANA

This Addendum is entered into between Computertots, Inc. d/b/a COMPUTER EXPLORERS ("CE") and ______________________ ("you" or "your") for amendment of the COMPUTER EXPLORERS Franchise Agreement for COMPUTER EXPLORERS No. ____ of even date herewith ("Franchise Agreement"). The purpose of this Addendum is to add certain terms and amend certain terms of the Franchise Agreement, and this Addendum shall be considered as fully incorporated into and with the Franchise Agreement for that purpose.

Indiana Law provides that,

1. Covenants not to compete must be limited to the exclusive area or reasonable size as determined by Indiana law, Indiana Code, Title 23, Article 2, Chapter 2.7-1(9) (Reference Section 11.02).

2. Indiana Franchise laws must apply in any jurisdiction and the Indiana franchisee has right of access to the Indiana Court, Indiana Code, Title 23, Article 2, Chapter 2.7-1 (10) (Reference Section 15.06).

3. Indiana Code 23-2-2.7-1(10) provides that the Franchisee must not prospectively consent to the issuance of an injunction against it or be compelled to agree to pay Franchisor's cost and/or attorney fees Franchisor incurs in seeking injunctive relief. (Reference Section 14.6 and Section 15.07).

4. Franchisor must be liable for Integration/Merger clause statements. Only the terms of the Franchise Agreement and the terms stated in the Franchise Disclosure Document registered with the Commissioner of the State of Indiana are binding. Any other promises may not be enforceable. The Franchise Agreement and the Franchise Disclosure Document, which is on file with the Commissioner of the State of Indiana are the final agreement.

5. Indiana Code 23-2-2.7-1(5) provides that the Franchisee must not prospectively assent to release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.

6. This addendum amends §§ 9.03(d) and 15.01 of the Franchise Agreement's requirement for a release to limit any release to exclude any liability arising under § 23-2-2.7 of the Indiana Code.

7. Pursuant to Indiana Code § 23-2-2.7-1(2) and § 23-2-2.7-2(4) we are prohibited from operating a substantially identical business to your center within your territory.

To the extent that the Franchise Agreement is inconsistent with the provisions, the Franchise Agreement is so amended and revised by this addendum.

FRANCHISOR

COMPUTERTOTS, INC.

By: ______________________________

Attest: ____________________________

FRANCHISEE

____

____

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
COMPUTERTOTS, INC. D/B/A COMPUTER EXPLORERS

MICHIGAN

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

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

a. A prohibition on the right of a franchisee to join an association of franchisees.

b. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

c. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

d. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than five years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six months advance notice of franchisor's intent not to renew the franchise.

e. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

f. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

g. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

i. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

ii. The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

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

iv. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

i. A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
COMPUTERTOTS, INC. D/B/A COMPUTER EXPLORERS

MINNESOTA

MINNESOTA STAT. §80C.21 AND MINNESOTA RULE 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR 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.

MINNESOTA STAT. SECTION 2860.4400D PROHIBITS A FRANCHISOR FROM REQUIRING A FRANCHISEE TO ASSENT TO A GENERAL RELEASE.

WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, THE FRANCHISOR WILL COMPLY WITH MINNESOTA STAT. SECTION 80C.14, SUBDS. 3, 4, AND 5 WHICH REQUIRE, EXCEPT IN CERTAIN SPECIFIED CASES, THAT A FRANCHISEE BE GIVEN 90 DAYS NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS NOTICE FOR NON-RENEWAL OF THE FRANCHISE AGREEMENT; AND THAT CONSENT TO THE TRANSFER OF THE FRANCHISE WILL NOT BE UNREASONABLY WITHHELD.

MINNESOTA STAT. SEC. 80C.12, SUBD. 1(G) STATES THAT MINNESOTA CONSIDERS IT UNFAIR TO NOT PROTECT THE FRANCHISEE'S RIGHT TO USE THE TRADEMARKS. REGARDING ITEM 13 THE FRANCHISOR WILL PROTECT THE FRANCHISEE'S RIGHT TO USE THE TRADEMARKS, SERVICE MARKS, TRADE NAMES, LOGOTYPES OR OTHER COMMERCIAL SYMBOLS OR INDEMNIFY THE FRANCHISEE FROM ANY LOSS, COSTS OR EXPENSES ARISING OUT OF ANY CLAIM, SUIT OR DEMAND REGARDING THE USE OF THE NAME.

ADDENDUM TO THE FRANCHISE AGREEMENT
COMPUTERTOTS, INC. D/B/A COMPUTER EXPLORERS

MINNESOTA

MINNESOTA STAT.SEC.80C.12, SUBD.1(G) STATES THAT MINNESOTA CONSIDERS IT UNFAIR TO NOT PROTECT THE FRANCHISEE'S RIGHT TO USE THE TRADEMARKS. REGARDING ITEM 13 OF THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISOR WILL PROTECT THE FRANCHISEE'S RIGHT TO USE THE TRADEMARKS, SERVICE MARKS, TRADE NAMES, LOGOTYPES OR OTHER COMMERCIAL SYMBOLS OR INDEMNIFY THE FRANCHISEE FROM ANY LOSS, COSTS OR EXPENSES ARISING OUT OF ANY CLAIM, SUIT OR DEMAND REGARDING THE USE OF THE NAME.

WITH RESPECT TO FRANCHISEES GOVERNED BY MINNESOTA LAW, FRANCHISOR CANNOT REQUIRE A FRANCHISEE TO WAIVE HIS OR HER RIGHTS TO A JURY TRIAL OR TO WAIVE RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION, OR TO CONSENT TO LIQUIDATED DAMAGES, TERMINATION PENALTIES, OR JUDGMENT NOTES; PROVIDED THAT THIS PART SHALL NOT BAR ANY EXCLUSIVE ARBITRATION CLAUSE.

MINNESOTA STAT. SEC2860.4400D. PROHIBITS A FRANCHISOR FROM REQUIRING A FRANCHISEE TO ASSENT TO A GENERAL RELEASE.

WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, THE FRANCHISOR WILL COMPLY WITH MINNESOTA STAT. SECTION 80C.14, SUBDS. 3, 4, AND 5 WHICH REQUIRE, EXCEPT IN CERTAIN SPECIFIED CASES, THAT A FRANCHISEE BE GIVEN 90 DAYS NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS NOTICE FOR NON-RENEWAL OF THE FRANCHISE AGREEMENT; AND THAT CONSENT TO THE TRANSFER OF THE FRANCHISE WILL NOT BE UNREASONABLY WITHHELD.

MINNESOTA STAT. §80C.21 AND MINNESOTA RULE 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR 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.

______________________________	________________
Franchisee	Date
______________________________	________________
Franchisor	Date

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT COMPUTERTOTS, INC. D/B/A COMPUTER EXPLORERS

NEW YORK

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN THE ATTACHED EXHIBIT OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION.

REGISTRATION OF THIS FRANCHISE BY THE STATE OF NEW YORK DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

The text in the first section of Item 3 of the Franchise Disclosure Document is amended to the following:

1. Neither the franchisor, its predecessor, a person identified in Item 2 of this Franchise Disclosure Document, nor an affiliate offering franchises under the franchisor's principal trademarks:
   i. Has pending against them:
      - An administrative, criminal, or civil action 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.
      - Actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature of franchisees and the size, nature or financial condition of the franchise system and its business operations.
   ii. Has been convicted of a felony or pleaded nolo contendere to a felony charge.
   iii. Has in the 10-year period immediately preceding the disclosure document's application for registration:
      - Been convicted of or pleaded nolo contendere to a misdemeanor charge
      - Been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, unfair or deceptive practices, or comparable allegations.

2. Neither the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademarks:
   i. 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

ii. 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

iii. 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.

The text of Item 4 of the Franchise Disclosure Document is amended to add the following:

Neither we nor any of our predecessors, officers, or general partners have, during the ten year period immediately preceding the date of the Franchise Disclosure Document: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of ours held this position in the company or partnership.

The "Summary" section of Item 17(d) of the Franchise Disclosure Document, entitled **Termination by franchisee**, is amended to add the following:

In addition, you may terminate the agreement on any grounds available by law.

The "Summary" section of Item 17(j) of the Franchise Disclosure Document, entitled **Assignment of contract by franchisor**, is amended to add the following:

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

The "Summary" section of Item 17(w) of the Franchise Disclosure Document, entitled **Choice of Law**, is amended to the following:

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

ADDENDUM TO THE FRANCHISE AGREEMENT
COMPUTERTOTS, INC. D/B/A COMPUTER EXPLORERS

VIRGINIA

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

GUARANTEE OF PERFORMANCE
STATE OF VIRGINIA

For value received, International Center for Entrepreneurial Development, Inc. (ICED), a Delaware Corporation (the "Guarantor"), located at 12715 Telge Road, Cypress, Texas 77429, absolutely and unconditionally guarantees to assume the duties and obligations of Computertots, Inc., d/b/a COMPUTER EXPLORERS, located at 12715 Telge Road, Cypress, Texas (the "Franchisor") under its franchise registration in the Commonwealth of Virginia, and of its Franchise Agreement identified in its 2017 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time.

This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on guarantor and on its successors and assigns.

The Guarantor signs this guarantee at Cypress, Texas on the 15th day of April, 2017.

GUARANTOR:
INTERNATIONAL CENTER FOR ENTREPRENEURIAL DEVELOPMENT, INC.

By: [signature]
Stephen B. Hammerstein,
Chairman and CEO

EXHIBIT G

NEW CENTER PURCHASE AFFIDAVIT AND RESALE PURCHASE AFFIDAVIT

NEW CENTER PURCHASE AFFIDAVIT

STATE OF ______________________________)

COUNTY OF ___________________________)

BEFORE ME, the undersigned official, on this day appeared ___________________________, and after being duly sworn, said under oath:

My name is ____. I am over the age of eighteen (18) years and reside at ____. I have never been convicted of a crime and I am fully competent to make this Affidavit. I have personal knowledge of the following facts and they are all true and correct.

1. I have executed a COMPUTER EXPLORERS Franchise Agreement ("Franchise Agreement") and other ancillary documents and understand the Franchise Agreement is being considered by Computertots, Inc., a Texas corporation (in this document referred to as "CT") for execution and acceptance at Cypress, Harris County, Texas.

2. I have received no representations, promises or commitments relative to the COMPUTER EXPLORERS franchise granted in the Franchise Agreement, which are not expressly contained in the Franchise Agreement, ancillary documents or in the Franchise Disclosure Document accompanying the Franchise Agreement. No claims of success or failure have been made to me prior to signing this Franchise Agreement and I understand all of the terms and conditions of the Franchise Agreement and ancillary documents. I have read and understand the section in the Franchise Agreement regarding the Franchise Service Fee. I understand that the Franchise Agreement contains all agreements, representations and arrangements between CT and myself. Any rights which CT and I may have, under any other previous contracts or agreements (oral or written) relating to this franchise, are hereby canceled and terminated. I understand that no representations or warranties are made or implied concerning any matter including, but not limited to, financing, exclusivity, training or support, except as stated within the Franchise Agreement, ancillary documents or the Franchise Disclosure Document. I further understand that the Franchise Agreement cannot be changed or terminated orally. I agree that if I am relying upon representations, promises or agreements, other than those indicated within the Franchise Agreement or ancillary documents, I will disclose that information, specifically and in detail, to CT and in no event later than closing.

3. I have not received from CT, its employee, agent, or representative, or any consultant, such as a franchise development company, designated by CT to work with prospective franchisees ("Franchise Consultant") and upon execution of said Franchise Agreement, was not relying upon any financial statements, profit and loss statements, pro formas or otherwise provided by CT or its employee, agent, representative or Franchise Consultant, relative to past, projected, estimated or anticipated earnings, sales or otherwise, of any COMPUTER EXPLORERS franchises, except as may be described in CT's Franchise Disclosure Document. I understand that, except as may be described in the Franchise Disclosure Document, no representations or statements of actual, or averaged, or projected, or forecasted sales, profits or earnings are made to franchisees with respect to COMPUTER EXPLORERS Centers. Neither CT's sales personnel, its

employees or officers nor Franchise Consultants are authorized to make any claims or statements as to the earnings, sales, or profits or prospects or chances of success that any franchisee can expect or that present or past franchisees have had. CT specifically instructs its sales personnel, agents, employees, officers and Franchise Consultants that they are not permitted to make such claims or statements as to the earning, sales, or profits or prospects or chances of success, nor are they authorized to represent or estimate dollar figures as to given COMPUTER EXPLORERS Center operations. CT recommends that applicants for COMPUTER EXPLORERS franchises make their own investigation and determine whether or not the COMPUTER EXPLORERS are profitable. CT will not be bound by allegations of any unauthorized representations as to earning or profits or prospects or chances or success. CT recommends that each applicant for a COMPUTER EXPLORERS franchise should consult with and be represented by legal counsel of their choosing.

4. I acknowledge and understand that no rights to any territory or locations whatsoever are granted to me or any other person or entity designated as Franchisee in my Franchise Agreement except as included in the Franchise Disclosure Document, Franchise Agreement, or Territory Addendum.

5. I acknowledge and understand that I will be receiving certain materials and information during the course of my initial training and throughout the entire term of my franchise relationship with CT that are confidential and proprietary and constitute trade secrets belonging to COMPUTER EXPLORERS. These trade secrets include, but are not limited to, all manuals, software, customer lists, handouts, workbooks, binders, portfolios, or other written materials that refer to, relate to, or involve any technical, operations, marketing, administration, or other information given to me by any representative of CT; as well as any oral information given to me by any representative of CT that refers to, relates to, or involves technical procedures, operations, marketing, administration, or other know-how. I further acknowledge and understand that these trade secrets are the property of CT, and that CT has taken and will undertake any and all reasonable means to protect these trade secrets. I agree that I will not, directly or indirectly, disseminate these trade secrets to anyone for any reason other than for the operation of a COMPUTER EXPLORERS franchise under the express written authorization of a CT as provided in the Franchise Agreement.

6. I have received a CT Franchise Disclosure Document and a copy of its standard COMPUTER EXPLORERS Franchise Agreement at the earlier of (a) the first personal meeting; or (b) fourteen (14) calendar days before the signing of any franchise or related agreement; or (c) fourteen (14) calendar days before any payments.

7. I have received and reviewed the actual COMPUTER EXPLORERS Franchise Agreement and ancillary documents, fully completed and containing all terms and conditions, at least seven (7) calendar days prior to my signing of the COMPUTER EXPLORERS Franchise Agreement.

8. I have reviewed all of the materials referred to in paragraphs 6 and 7 above and found them complete and that the CT Franchise Disclosure Document contained all Exhibits required.

9. I acknowledge that CT recommended that I have my legal and/or financial advisor assist me in reviewing the above materials.

Executed this_________ day of ______________________________, 20_____.

____

SUBSCRIBED and SWORN to before me this ________ day of ___________________________, 20____.

____
NOTARY PUBLIC
My Commission Expires: ______________

RESALE PURCHASE AFFIDAVIT

STATE OF ______________________________)

COUNTY OF ____________________________)

BEFORE ME, the undersigned official, on this day appeared ______________________________, and after being duly sworn, said under oath:

My name is ____. I am over the age of eighteen (18) years and reside at ____. I have never been convicted of a crime and I am fully competent to make this Affidavit. I have personal knowledge of the following facts and they are all true and correct.

1. I have executed a COMPUTER EXPLORERS Franchise Agreement ("Franchise Agreement") and other ancillary documents and understand the Franchise Agreement is being considered by Computertots, Inc., a Texas corporation (in this document referred to as "CT") for execution and acceptance at Cypress, Harris County, Texas.

2. I have received no representations, promises or commitments relative to the COMPUTER EXPLORERS franchise granted in the Franchise Agreement, which are not expressly contained in the Franchise Agreement, ancillary documents or in the Franchise Disclosure Document accompanying the Franchise Agreement. No claims of success or failure have been made to me prior to signing this Franchise Agreement and I understand all of the terms and conditions of the Franchise Agreement and ancillary documents. I have read and understand the section in the Franchise Agreement regarding the Franchise Service Fee. I understand that the Franchise Agreement contains all agreements, representations and arrangements between CT and myself. Any rights which CT and I may have, under any other previous contracts or agreements (oral or written) relating to this franchise, are hereby canceled and terminated. I understand that no representations or warranties are made or implied concerning any matter including, but not limited to, financing, exclusivity, training or support, except as stated within the Franchise Agreement, ancillary documents or the Franchise Disclosure Document. I further understand that the Franchise Agreement cannot be changed or terminated orally. I agree that if I am relying upon representations, promises or agreements, other than those indicated within the Franchise Agreement or ancillary documents, I will disclose that information, specifically and in detail, to CT and in no event later than closing.

3. I have not received from CT, its employee, agent, or representative, or any consultant, such as a franchise development company, designated by CT to work with prospective franchisees ("Franchise Consultant") and upon execution of said Franchise Agreement, was not relying upon any financial statements, profit and loss statements, pro formas or otherwise provided by CT or its employee, agent, representative or Franchise Consultant, relative to past, projected, estimated or anticipated earnings, sales or otherwise, of any COMPUTER EXPLORERS franchises, except as may be described in CT's Franchise Disclosure Document. I understand that, except as may be described in the Franchise Disclosure Document, no representations or statements of actual, or averaged, or projected, or forecasted sales, profits or earnings are made to franchisees with respect to COMPUTER EXPLORERS Centers. Neither CT's sales personnel, its

employees or officers nor Franchise Consultants are authorized to make any claims or statements as to the earnings, sales, or profits or prospects or chances of success that any franchisee can expect or that present or past franchisees have had. CT specifically instructs its sales personnel, agents, employees, officers and Franchise Consultants that they are not permitted to make such claims or statements as to the earning, sales, or profits or prospects or chances of success, nor are they authorized to represent or estimate dollar figures as to given COMPUTER EXPLORERS Center operations. CT recommends that applicants for COMPUTER EXPLORERS franchises make their own investigation and determine whether or not the COMPUTER EXPLORERS are profitable, and in fact, I have investigated thoroughly the operation and profitability of COMPUTER EXPLORERS NO. [NO.]. CT will not be bound by allegations of any unauthorized representations as to earning or profits or prospects or chances or success. CT recommends that each applicant for a COMPUTER EXPLORERS franchise should consult with and be represented by legal counsel of their choosing.

4. I acknowledge and understand that no rights to any territory or locations whatsoever are granted to me or any other person or entity designated as Franchisee in my Franchise Agreement except as included in the Franchise Disclosure Document, Franchise Agreement, or Territory Addendum.

5. I acknowledge and understand that I will be receiving certain materials and information during the course of my initial training and throughout the entire term of my franchise relationship with CT that are confidential and proprietary and constitute trade secrets belonging to COMPUTER EXPLORERS. These trade secrets include, but are not limited to, all manuals, software, customer lists, handouts, workbooks, binders, portfolios, or other written materials that refer to, relate to, or involve any technical, operations, marketing, administration, or other information given to me by any representative of CT; as well as any oral information given to me by any representative of CT that refers to, relates to, or involves technical procedures, operations, marketing, administration, or other know-how. I further acknowledge and understand that these trade secrets are the property of CT, and that CT has taken and will undertake any and all reasonable means to protect these trade secrets. I agree that I will not, directly or indirectly, disseminate these trade secrets to anyone for any reason other than for the operation of a COMPUTER EXPLORERS franchise under the express written authorization of a CT as provided in the Franchise Agreement.

6. I have received a CT Franchise Disclosure Document and a copy of its standard COMPUTER EXPLORERS Franchise Agreement at the earlier of (a) the first personal meeting; or (b) fourteen (14) calendar days before the signing of any franchise or related agreement; or (c) fourteen (14) calendar days before any payments.

7. I have received and reviewed the actual COMPUTER EXPLORERS Franchise Agreement and ancillary documents, fully completed and containing all terms and conditions, at least seven (7) calendar days prior to my signing of the COMPUTER EXPLORERS Franchise Agreement.

8. I have reviewed all of the materials referred to in paragraphs 6 and 7 above and found them complete and that the CT Franchise Disclosure Document contained all Exhibits required.

9. I acknowledge that CT recommended that I have my legal and/or financial advisor assist me in reviewing the above materials.

Executed this_________ day of ______________________________, 20_____.

____

SUBSCRIBED and SWORN to before me this ________ day of __________________________, 20____.

____
NOTARY PUBLIC
My Commission Expires: _______________

EXHIBIT H

COMPLIANCE FORM

COMPLIANCE FORM

As you know, Computertots, Inc. ("Franchisor") and you are preparing to enter into an agreement for the establishment and operation of a franchised business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. I had my first face-to-face meeting to discuss purchasing a franchise with an employee or other person speaking on behalf of the Franchisor on ____________________ The name of this person is ________________________. For purposes of this question, employee or other person does not include any franchisee that might be selling the franchise (if applicable), business broker, accountant or other person not authorized to speak on Franchisor's behalf.

2. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document that was provided to you?

   Yes _______ No _______

3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

   Yes _______ No _______

4. Has any person speaking on behalf of the Franchisor made any statement or promise concerning the revenues, profits or operating costs of a COMPUTER EXPLORERS franchised business operated by the Company or its franchisees that is contrary to the information contained in the Franchise Disclosure Document?

   Yes _______ No _______

5. Has any person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to the information contained in the Franchise Disclosure Document?

   Yes _______ No _______

6. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the franchised business will generate, that is contrary to the information contained in the Franchise Disclosure Document?

   Yes _______ No _______

7. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the COMPUTER EXPLORERS franchised business that is contrary to or different from the information contained in the Franchise Disclosure Document?

Yes _______ No _______

8. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a COMPUTER EXPLORERS franchised business?

Yes _______ No _______

9. Has any employee or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from the information contained in the Franchise Disclosure Document?

Yes _______ No _______

10. Do you understand that the success or failure of your COMPUTER EXPLORERS franchised business will depend in large part upon your skills and abilities, outside sales efforts, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes _______ No _______

11. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _______ No _______

12. Have you discussed the benefits and risks of establishing and operating a COMPUTER EXPLORERS franchised business with an attorney, accountant, or other professional advisor?

Yes _______ No _______

If No, do you wish to have more time to do so?

Yes _______ No _______

13. Has any employee or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the Franchise Service Fee to be paid to Franchisor that is contrary to, or different from the information contained in the Franchise Disclosure Document?

Yes _______ No _______

Please understand that your responses to these questions are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

FRANCHISE APPLICANT

____

____

____
(Printed Name)

Date: ____________________________

EXHIBIT I

ELECTRONIC FUNDS TRANSFER FORM

BANK TRANSFER INFORMATION
Electronic Funds Transfer (EFT)

CENTER NO.:__________

MARK ONE:	☐ AWT	☐ COMPUTER EXPLORERS	☐ Franklin's Printing	☐ The Ink Well	☐ Kwik Kopy Printing	☐ KKBC

If multiple brands, please complete a form for each company

NAME(S): ______________________________

____

EFT to be used for	1st	5th	10th	15th	$ Amount	Start Date
☐ Franchise Service Fee		☐	☐	☐	$ Variable	
☐ Note payment	☐	☐	☐	☐	$	
☐ Flex-Financing		☐	☐	☐	$ Variable	
☐ Marketing Fund		☐	☐	☐	$ Variable	
☐ Trade Invoices *	☐	☐	☐	☐	$ Variable	
☐ Other (please describe)	☐	☐	☐	☐	$	
Describe other purpose:						

BANK NAME ______________________________

BANK ADDRESS ______________________________

____

BANK PHONE (   ) ____________ BANK FAX (   ) ____________

BANK CONTACT(S) (Someone familiar with your account)

____

BANK ACCOUNT NUMBER EFT WILL BE DRAWN ON ____________

BANK ROUTING NUMBER ____________

☐ Voided check attached for reference (write "void" across body of check; do not obscure numbers)

SIGNATURE(S) AS ON FILE WITH BANK ____________ DATE ____________

______________________________ ____________

* By checking this box, you are agreeing that ICED, on behalf of your franchisor, may draft from the above account any invoice that remains unpaid for 30 days from the date the invoice is created.

EFT 04-17
ICED – Legal

EXHIBIT J

DEVELOPMENT TERRITORY ADDENDUM

(A) DEVELOPMENT TERRITORY ADDENDUM (GRANTED TERRITORY, ONE STANDARD TERRITORY)

(B) DEVELOPMENT TERRITORY ADDENDUM (FOR RENEWAL, SALE OR TRANSFER OF AN EXISTING FRANCHISE)

DEVELOPMENT TERRITORY ADDENDUM
Granted Territory

This Addendum is entered into between Computertots, Inc. ("CT") and ______________________________ ("you" or "your") for amendment of the COMPUTER EXPLORERS Franchise Agreement for COMPUTER EXPLORERS No. ____ of even date herewith ("Franchise Agreement"). The purpose of this Addendum is to add certain terms and amend certain terms of the Franchise Agreement, and this Addendum shall be considered as fully incorporated into and with the Franchise Agreement for that purpose.

CT and you acknowledge and agree:

1. Your protected and exclusive Development Territory is defined as follows:

____

____

____

2. If the U.S. Postal Service alters the boundary(ies) or number(s) of any assigned ZIP code(s), CT will reassign to you the re-designated ZIP code(s) which most correspond to any previously held ZIP code(s). If you renew or transfer the Franchise as allowed by the Franchise Agreement, CT may change the boundaries of the Development Territory or divide it into multiple territories.

3. During the initial term of the Franchise, as to COMPUTER EXPLORERS programs, the minimum annual Gross Sales quotas which you must meet to maintain your marketing rights in the above-described Development Territory will be as follows:

Year 1	None
Year 2	$50,000
Year 3	$75,000
Years 4 - 15	$100,000

4. The above-described minimum annual Gross Sales quotas are non-cumulative from year to year. Higher minimum annual Gross Sales quotas may be required in the initial term of the Franchise, subject to the mutual consent of the parties, if the Development Territory specified in this Addendum is larger than a standard territory or if you elect to market Additional Programs under Paragraph 1.03 of the Franchise Agreement. Higher or multiple minimum annual Gross Sales quotas may be required under specified circumstances if you renew or transfer the Franchise.

5. In the event of any conflict between this Addendum and the Franchise Agreement, this Addendum shall control.

6. All definitions set forth in the Franchise Agreement are applicable in this Addendum. No other amendments of the Franchise Agreement are intended.

AGREED TO and EXECUTED this _____ day of ______________________, _____.

______________________________	____________________________________
Witness	
______________________________	____________________________________
Witness	
	COMPUTERTOTS, INC.
______________________________	By:________________________________
Witness	President

DEVELOPMENT TERRITORY ADDENDUM
(for Renewal, Sale or Transfer of an existing Franchise)

This Addendum is entered into between Computertots, Inc. ("CT") and ________________________________ ("you" or "your") for amendment of the COMPUTER EXPLORERS Franchise Agreement for COMPUTER EXPLORERS No. ____ of even date herewith ("Franchise Agreement"). The purpose of this Addendum is to add certain terms and amend certain terms of the Franchise Agreement, and this Addendum shall be considered as fully incorporated into and with the Franchise Agreement for that purpose.

CT and you acknowledge and agree:

1. Your protected and exclusive Development Territory is defined as follows:

____

____

____

2. If the U.S. Postal Service alters the boundary(ies) or number(s) of any assigned ZIP code(s), CT will reassign to you the re-designated ZIP code(s) which most correspond to any previously held ZIP code(s). If you renew or transfer the Franchise as allowed by the Franchise Agreement, CT may change the boundaries of the Development Territory or divide it into multiple territories.

3. During the term of the Franchise, as to COMPUTER EXPLORERS programs, the minimum annual Gross Sales quotas which you must meet to maintain your marketing rights in the above-described Development Territory will be as follows:

Year 1
Year 2
Year 3
Years 4 - 15

4. The above-described minimum annual Gross Sales quotas are non-cumulative from year to year. Higher minimum annual Gross Sales quotas may be required in the initial term of the Franchise, subject to the mutual consent of the parties, if the Development Territory specified in this Addendum is larger than a standard territory or if you elect to market Additional Programs under Paragraph 1.03 of the Franchise Agreement. Higher or multiple minimum annual Gross Sales quotas may be required if you renew or transfer the Franchise.

5. The second paragraph of Section 5.02 of the Franchise Agreement is amended to read as follows: "The fee is subject to a monthly minimum of $______ in year one of this Agreement, $______ in year two, $______ in year three, $______ in year four and $______ in

years five through fifteen of this Agreement. The fee may be subject to a higher monthly minimum if you elect to market Additional Programs under Paragraph 1.03."

6. Paragraph 5.01 of the Franchise Agreement is deleted and replaced with the following: "5.01 **Initial Payment.** You shall pay to CT, upon execution of this Agreement, the sums identified in the blanks on page 1 of the Franchise Agreement."

7. In the event of any conflict between this Addendum and the Franchise Agreement, this Addendum shall control.

8. All definitions set forth in the Franchise Agreement are applicable in this Addendum. No other amendments of the Franchise Agreement are intended.

AGREED TO and EXECUTED this _____ day of ______________________, _____.

______________________	______________________
Witness	
______________________	______________________
Witness	
	COMPUTERTOTS, INC.
______________________	By:______________________
Witness	President

EXHIBIT K

TELEPHONE LISTING ADDENDUM

TELEPHONE LISTING ADDENDUM

This Addendum is entered into between Computertots, Inc. ("CT") and ______________________ ("you" or "your") for amendment of the COMPUTER EXPLORERS Franchise Agreement for COMPUTER EXPLORERS No. ____ of even date herewith ("Franchise Agreement"). The purpose of this Addendum is to add certain terms and amend certain terms of the Franchise Agreement, and this Addendum shall be considered as fully incorporated into and with the Franchise Agreement for that purpose.

CT and you acknowledge and agree:

A. CT is the franchisor of COMPUTER EXPLORERS businesses and the owner of service marks, trademarks, trade names and trade dresses related to the operation of those businesses (the "Marks").

B. CT and you have executed the Franchise Agreement, under which you are granted a franchise (the "Franchise") involving certain rights to use the Marks in your business telephone directory listings to promote its COMPUTER EXPLORERS business; and

C. You are authorized to continue using the Marks until the Franchise is repurchased, terminated or expires.

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

1. You must obtain a business telephone service and listing for the Franchised Business. That service is not to be used in conjunction with any other business telephone service and you may not use a residential listing or service for your business line.

2. You must obtain white page and yellow page listings, under COMPUTER EXPLORERS and any other Marks you may be authorized to use. You are authorized, but not required, to obtain yellow page advertisements. No proper names or city names may be used in conjunction with the Marks and no additional listings may be used with any telephone number(s) assigned to the Franchised Business, without CT's prior written consent.

3. All yellow page advertisements must be approved in advance in writing by CT.

4. You must pay all charges for telephone service, white page and yellow page, and yellow page advertisements.

5. On repurchase, termination or expiration of the Franchise, you acknowledge that your right to the use of any service marks, trademarks, trade names and trade dresses made available by CT to you for use under the Franchise Agreement, will immediately end, and that all telephone numbers appearing under the Marks will immediately become our property, and irrevocably release to CT all rights to and use of all telephone numbers associated with the Marks then listed. You irrevocably authorize the telephone company, or notification by use of repurchase,

termination or expiration of the Franchise, to assign all of those telephone numbers to CT or to disconnect those telephone numbers and to transfer calls coming to those disconnected numbers to any telephone numbers issued by the telephone company to CT, without the need for any further document(s) from you.

6. You irrevocably release the telephone company, CT, and our respective successors, assigns, directors, officers, employees and agents, from liability of any kind which may result directly or indirectly from CT's exercise of its rights under this Agreement or from the telephone company's cooperation with CT in effecting the terms of this Agreement.

7. In the event of any conflict between this Addendum and the Franchise Agreement, this Addendum shall control.

8. All definitions set forth in the Franchise Agreement are applicable in this Addendum. No other amendments of the Franchise Agreement are intended.

AGREED TO and EXECUTED this _____ day of ______________________, _____.

______________________________ ______________________________
Witness

______________________________ ______________________________
Witness

COMPUTERTOTS, INC.

______________________________ By: ______________________________
Witness President

EXHIBIT L

TRANSFER ADDENDUM

ADDENDUM TO FRANCHISE AGREEMENT

(For Transfer of an Existing COMPUTER EXPLORERS)

This Addendum is entered into between Computertots, Inc. ("Computertots") and ________________________________ ("you" or "your") for amendment of the Computer Explorers Franchise Agreement for **COMPUTER EXPLORERS No.** ____ of even date herewith ("Franchise Agreement"). The purpose of this Addendum is to add certain terms and amend certain terms of the Franchise Agreement, and this Addendum shall be considered as fully incorporated into and with the Franchise Agreement for that purpose.

Computertots and you acknowledge and agree:

1. You and Computertots agree and acknowledge that you will not receive the following services normally offered to new COMPUTER EXPLORERS owners:

   A. Services listed in **Sections B.2.08** and **B.2.10** of the Franchise Agreement; and

   B. Other special services offered from time to time.

2. In the event of any conflict between this Addendum and the Franchise Agreement, this Addendum shall control.

3. All definitions set forth in the Franchise Agreement are applicable in this Addendum. No other amendments of the Franchise Agreement are intended.

AGREED TO and EXECUTED this _____ day of ______________________, 20___.

____________________________	____________________________
Witness	[Buyer]
____________________________	____________________________
Witness	[Buyer]
	FRANCHISOR:
	Computertots, Inc.
____________________________	By:__________________________
Witness	___________, President

EXHIBIT M

SPOUSAL RESTRICTION AGREEMENT

SPOUSAL RESTRICTION AGREEMENT

This Restriction Agreement is made and effective this __________ day of ________________________, 20____, by and between Computertots, Inc., a Texas corporation ("CT") and ___________________________ ("____________").

A. Acknowledgment of Facts

___________________________ acknowledges that:

1. ___________________________ is the spouse of [Franchisee] who intends to purchase a COMPUTER EXPLORERS Franchise for the operation of **COMPUTER EXPLORERS No. ____**.

2. ___________________________ will not actively participate in the operation of COMPUTER EXPLORERS No. ____ and has requested that she not be required to execute the Franchise Agreement of even date herewith for COMPUTER EXPLORERS No. ____ ("Franchise Agreement") and certain other ancillary contracts as is usually required by CT. In reliance on ___________________________'s representations and covenants contained in this Agreement, CT agrees that ___________________________ may be omitted as a party to the Franchise Agreement and other ancillary contracts under the terms and conditions of this Agreement.

B. Consideration, Terms and Conditions of This Agreement

For valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. ___________________________ shall not own any stock in any corporation formed by [Franchisee] during the term of the Franchise Agreement for the purpose of operating COMPUTER EXPLORERS No.____. In the event ___________________________ involuntarily receives any stock in the Corporation, or in any corporation owning or holding stock

in the Corporation, whether by inheritance, operation of law, or otherwise, ______________________________, by [his/her] signature below, shall automatically guaranty all performance and obligations of any such corporation and [Franchisee] under the Franchise Agreement and any other notes or agreements with CT whatsoever and on a continuing basis, without notice or any necessity that CT obtain any further consent or executed documents from ______________________________.

2. ______________________________ agrees that CT would be irreparably damaged in the event that ______________________________ should operate a competing business in the "trade area) served by COMPUTER EXPLORERS No. ____ during the term or for a period of time after expiration or termination of the Franchise Agreement for any reason. ______________________________ agrees that during the term of the Franchise Agreement, or for a period of two (2) years after any termination or expiration of Franchise Agreement, ______________________________ shall not:

a. directly or indirectly by virtue of being an employee, proprietor, a partner, stockholder, agent, through family relationship or by financing or investing in same, be associated with a competing computer education programs and related services business offering such service franchised hereunder, within the "trade area" served by COMPUTER EXPLORERS No. ____ ("Trade Area" shall be encompassed within an area defined by the Development Territory of COMPUTER EXPLORERS No. ____ or the development territory of any other COMPUTER EXPLORERS; and

b. disclose or use the information contained in CT manuals, the Know How or other technical or business information provided to ______________________________ by CT. Such other "technical or business information" includes, but is not limited to, customer names, addresses and requirements, confidential information concerning pricing methodology and structures, equipment or product studies and evaluations, and maintenance and systems of operation; and

c. solicit the business of or make contact with the customers of the COMPUTER EXPLORERS No. ____ for any business purpose; and

d. persuade, entice or attempt to persuade or entice any prior employees of COMPUTER EXPLORERS No. ____ to discontinue their employment.

3. Because of the irreparable injury which will be caused by breach of this provision, ______________________________ understands and agrees to the issuance of a temporary injunction by a court of proper jurisdiction to protect CT from such breach. In the event ______________________________ does not comply with aforesaid covenants as of the date they would go into force and under the terms of this Agreement, then the time such covenants begin to run shall commence on the later of either the date at which ______________________________ does begin to comply therewith, or the date at which a court order compelling ______________________________'s compliance goes into effect. If any of the above-noted restrictions would be determined, as of the date of enforcement to be unlawful or unreasonable under the law of the state, that is applied in any litigation between the parties, then and in such event, the covenants hereinabove which purport to restrict ______________________________'s activities are hereby amended to provide that such restrictions shall apply for the maximum time and geographic scope permitted by law of said state.

4. If ______________________________ should decide at any time in the future to participate in the operation or management of COMPUTER EXPLORERS No. ____, [he/she]

shall sign all contracts or other documents required by CT necessary to bind [him/her] to the terms and conditions of the Franchise Agreement prior to any participation.

5. This Agreement shall be deemed to have been made and entered into the State of Texas, and all rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Texas.

6. The parties agree that any disputes under or related to this Agreement, or other obligations between the parties whatsoever which are submitted to a judicial forum shall be exclusively subject to the jurisdiction and venue of the United States District court for the Southern District of Texas, Houston Division, or the state courts of the State of Texas, County of Harris, and agree to submit themselves to the jurisdiction and venue of the courts of Harris County, Texas, and further, waive the right to commence any action against the other except in these courts. The parties acknowledge that this Agreement shall affect matters in interstate commerce and affecting commerce in many different states and, in order to promote consistency of interpretation and obligation to CT hereunder, the selection of forum and submission to jurisdiction is reasonable and equitable.

7. This Agreement shall be binding upon and inure to the benefit of all parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

8. In case anyone or more of the provisions contained in this Agreement shall for any reason be held to be invalid, legal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions thereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions have never been contained therein.

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

______________________	______________________
Witness	[Spouse]
	Computertots, Inc.
______________________	By: ______________________
Witness	______________________, President
______________________	______________________
Date	Date

EXHIBIT N

GUARANTEE OF PERFORMANCE

EXHIBIT O

RECEIPT

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If COMPUTERTOTS, INC. offers you a franchise, COMPUTERTOTS, INC. must, under the FTC Franchise Rule, provide this Franchise Disclosure Document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Please note that the state of New York has laws which require that a franchisor provide the Franchise Disclosure Document to a prospective franchisee living in or doing business in the state of New York at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If COMPUTERTOTS, INC. does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit B.

Franchise seller:	COMPUTERTOTS, INC.
Address:	12715 Telge Road, Cypress, Texas 77429
Telephone number:	(888) 280-2053

Date of Issuance: April 1, 2017

See Exhibit B for our registered agents authorized to receive service of process and the list of state effective dates.

I have received a Franchise Disclosure Document dated April 1, 2017 that included the following Exhibits:

Exhibit A	COMPUTER EXPLORERS Franchise Agreement and Franchise Acceptance Letter
Exhibit B	List of State Administrators and Agents for Service of Process
Exhibit C	Roster of COMPUTER EXPLORERS Territories
Exhibit D	Roster of Franchisees Having Left the System
Exhibit E	Financial Statements of ICED Audited – Years Ended December 31, 2016, December 31, 2015, and December 31, 2014 Unaudited – For the Period Ended January 31, 2017
Exhibit F	State Specific Addenda
Exhibit G	New Center Purchase Affidavit and Resale Purchase Affidavit
Exhibit H	Compliance Form
Exhibit I	Electronic Funds Transfer Form
Exhibit J	Development Territory Addendum
Exhibit K	Telephone Listing Addendum
Exhibit L	Transfer Addendum
Exhibit M	Spousal Restriction Agreement
Exhibit N	Guarantee of Performance
Exhibit O	Receipt

Dated this _____ day of ____________________, 20____.

Signed: ___________________________________

Print Name: ___________________________________

Address: ____

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Dated this ______ day of ____________________, 20____.

Signed: ________________________________

Print Name: ________________________________

Address: ____