

FRANCHISE DISCLOSURE DOCUMENT



GTN Capital Group LLC
A Connecticut limited liability company
1250 Boston Post Rd # 4, Guilford, CT 06437
1-800-390-NERD
Franchise@NerdsToGo.com
www.NerdsToGo.com

The franchise offered is for a business specializing in operating a technology sales, repair, and service business offering a wide variety of computer technology services and products primarily to residential computer users and small and medium-sized businesses. Technicians based in “NerdVans” serve customers at their residences or places of business.

We offer two franchise models. In the “Executive Office Model,” your business will be based out of office space and will not have a walk-in customer-facing area. In the “Local Service Center Model,” your business will be based out of a visible retail center, and you will have a stronger emphasis on walk-in customers.

The total investment necessary to begin operation of an Executive Office Model NerdsToGo franchise is \$126,900 to \$182,850. This includes \$49,750 to \$49,750 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Local Service Center Model NerdsToGo franchise is \$146,200 to \$217,050. This includes \$49,750 to \$49,750 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Mark Jameson at GTN Capital Group, LLC, 2542 Highlander Way, Carrollton, Texas 75006, 214-346-5609.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC- HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW. Washington, 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 state. Ask your state agencies about them.

Issuance date: December 3, 2020

Page 1

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
Item 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1-1
Item 2 BUSINESS EXPERIENCE	2-1
Item 3 LITIGATION	3-1
Item 4 BANKRUPTCY	4-1
Item 5 INITIAL FEES	5-1
Item 6 OTHER FEES	6-1
Item 7 ESTIMATED INITIAL INVESTMENT	7-1
Item 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	8-1
Item 9 FRANCHISEE’S OBLIGATIONS	9-1
Item 10 FINANCING	10-1
Item 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	11-1
Item 12 TERRITORY	12-1
Item 13 TRADEMARKS.....	13-1
Item 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	14-1
Item 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE LOCATION	15-1
Item 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	16-1
Item 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	17-1
Item 18 PUBLIC FIGURES	18-1
Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS	19-1
Item 20 OUTLETS AND FRANCHISEE INFORMATION	20-1
Item 21 FINANCIAL STATEMENTS.....	21-1
Item 22 CONTRACTS	22-1
Item 23 RECEIPTS.....	23-1

Exhibits

- A. State Administrators and Agents for Service of Process
 - B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
 - C. Rider to Lease Agreement
 - D. Form of General Release
 - E. Financial Statements
 - F. Operating Manual Table of Contents
 - G. Current and Former Franchisees
 - H. State Addenda to Disclosure Document
 - I. State Addenda to Franchise Agreement
 - J. Information about Area Representatives
- State Effective Dates
- Receipt (2 copies)

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document, “we,” “us,” or “our” refers to GTN Capital Group LLC. “You” means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each franchise entity owner must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement’s provisions also will apply to your owners. Our agents for service of process are listed in Exhibit A.

Us and our Parents.

Our name is GTN Capital Group LLC. We are a Connecticut limited liability company formed on November 4, 2015. Our principal business address is 1250 Boston Post Rd # 4, Guilford, CT 06437. We use the names “GTN Capital Group LLC” and “NerdsToGo,” and we do not intend to use any other names to conduct business

We have offered franchises for sale for this business since 2017, and we have never offered franchises in any other line of business. We do not operate businesses of the type being franchised and do not have any other business activities. Our affiliate, Nerds To Go, Inc., a Connecticut corporation (“NTG”), has operated a NerdsToGo business in Guilford, Connecticut, since 2003.

Under the terms of an Agreement and Plan of Merger dated September 9, 2020, More Than It, LLC, a Delaware limited liability company and an affiliate of Fastsigns Holdings, Inc. located at 2542 Highlander Way, Carrollton, TX 75006 merged with NTG. Simultaneously, Fastsigns Holdings, Inc. acquired all of the issued and outstanding capital stock and our outstanding membership interests in us. As a result of the merger and the sale of GTN Equity, we and More Than It, LLC are wholly-owned, indirect subsidiaries of Fastsigns Holdings, Inc.

Our Affiliated Franchise Programs

Through common control with Fastsigns Holdings, Inc., we are affiliated with the franchise programs listed below. None of these affiliates have offered franchises in any line of business other than as listed below, and none of them have conducted a business similar to the NerdsToGo franchise that you will operate:

Since April 30, 1986, FASTSIGNS International, Inc. franchised the right to operate FASTSIGNS Centers. Since March 13, 2019, under the terms of an Agreement and Plan of Merger dated February 11, 2019, FASTSIGNS International, Inc. became a wholly-owned, indirect subsidiary of Fastsigns Holding, Inc. Fastsigns Holdings Inc., is an affiliate of LightBay Capital, a private equity firm located at 11601 Wilshire Boulevard, Suite 2150, Los Angeles, CA 90025, and Freeman Spogli & Co., a private equity firm located at 11100 Santa Monica Boulevard, Suite 1900, Los Angeles, CA 90025. On December 31, 2019, there were 641 franchised FASTSIGNS Centers in operation in the United States.

Since August 2018, LightBay Capital, through its affiliate, has owned The Boardroom Salon Company, LLC and KLPS, LLC, both of which are Texas limited liability companies located at 2271 E. Continental Blvd., Suite 100, Southlake, Texas 76092. KLPS is the franchisor for Boardroom Salon franchises. As of December 31, 2019, there were 9 franchised Boardroom Salons in operation in the United States.

Since July 2016, Freeman Spogli & Co., through its affiliate, has owned a majority interest in Batteries Plus, LLC, the franchisor for Batteries Plus Bulbs stores. On December 31, 2019, there were 643 franchised Batteries Plus Bulbs stores in operation in the United States.

Except as described above, we have no other parents, predecessors of affiliates that must be included in this Item.

Our Predecessors

Our predecessor is Nerds To Go Franchise Corporation. Its principal business address is the same as ours. Nerds To Go Franchise Corporation has the same ownership as us and was the franchisor of NerdsToGo from March 2006 until December 2007.

Information about Our Business and the Franchises Offered

If you sign a franchise agreement with us, you will develop and operate a technology repair and service business under the trade name “NerdsToGo.” You will primarily provide service to customers at the customer’s business or home via mobile technicians in branded NerdVans. We offer two franchise models. In the “Executive Office Model,” your business will be based out of office space and will not have a walk-in consumer-facing area. It will have a higher emphasis on business customers (B2B) while supplementing this business focus with residential consumer customers (B2C). In the “Local Service Center Model,” your business will be based out of a visible storefront center, and your strategy will have a focus on business customers (B2B), residential customers (B2C), and walk-in customers who could be business or residential.

You must devote your full business time to your franchise. In addition to your efforts, you must begin your business with at least one full-time Nerd technician and one customer specialist. We recommend you have at least one salesperson as well. If you do not have at least \$30,000 per month in sales by your 12th month of operation, you will be required to engage a full-time sales representative. You will be required to begin your business with at least one customized “NerdVan.”

The general market for NerdsToGo franchises is residential and commercial customers who are in need of technology repair, maintenance, or support service for a wide range of technological devices. Our growth is attributed to our customer loyalty, and we continue to thrive because of repeat visits by our “regulars.” This market is highly developed. Sales are not seasonal.

Although the laws and regulations applicable to businesses generally will apply to your operation of a NerdsToGo business, we are not aware of any laws or regulations specific to our industry.

You will compete against national chains, regional chains, and independent owners. Some of these competitors are franchised.

We have granted area representative rights to certain individuals and companies. An Area Representative acts as our representative within a defined geographic area to solicit prospective franchisees and provide support before, during and after a franchisee begins operations. We are not currently offering new Area Representative opportunities. See Exhibit J for information regarding our Area Representatives.

Item 2
BUSINESS EXPERIENCE

David J. Colella
Brand President

Mr. Colella has served as our Brand President of NerdsToGo since September 2020. Prior to that, he served as our President and Chief Executive Officer in Guilford, CT, from our inception in November 2015 until September 2020. He is also the Founder of NTG, and has served as NTG's President and Chief Executive Officer in Guilford, CT, from its inception in January 2003 until September 2020.

Catherine Monson, CFE
Chief Executive Officer, President and Director

Ms. Monson has served as Chief Executive Officer since September 2020. Ms. Monson is currently the Chief Executive Officer and a Director of FASTSIGNS International, Inc. located in Carrollton, Texas, which she has been associated with since January 2009. From April 2009 to present, Ms. Monson has also been our President. From October 1996 to December 2008, Ms. Monson was a member of PIP Printing and Document Services, Inc.'s (PIP) Board of Directors. From April 1999 to December 2008, Ms. Monson was President and Chief Operating Officer of PIP Printing and Document Services. From September 1996 to March 1999, Ms. Monson served as Managing Director of MultiCopy Europe, BV, located in Amsterdam, the Netherlands. From August 1991 to August 1996, Ms. Monson was Group Vice President, Marketing and Communications of Sir Speedy, Inc. located in Mission Viejo, California. From December 1989 to July 1991, Ms. Monson was Vice President of Training and Communications of Sir Speedy, Inc. From November 1985 to November 1989, Ms. Monson was Vice President of Franchise Development for Sir Speedy, Inc. Since February 2008, Ms. Monson is on the Board of Directors and is currently the Chair of the International Franchise Association. She is on the Board of Directors of the Big Blue Swim School, a swim school franchise, and on the Board of Directors for Brain Balance, a franchisor of a concept that has a non-drug alternative that helps children with ADHD and other behavioral disorders. Previously she was on the Board of Directors of Idealliance, The Learning Experience, the Business Marketing Association, Board of Trustees of Sales and Marketing Executives International Academy of Achievement and Board of Trustees of the National Education Foundation for Pi Sigma Epsilon.

Mark Jameson, CFE
Chief Support and Development Officer

Mr. Jameson has been our Chief Support and Development Officer since September 2020. Mr. Jameson is currently Chief Support and Development Officer of FASTSIGNS International, Inc. located in Carrollton, Texas, which he has been associated with since November 2009. From August 2003 to October 2009, Mr. Jameson was Vice President of Franchise Development with CCA Global Partners located in Earth City, Missouri. From July 2001 to July 2003, Mr. Jameson was Executive Vice President of Bucks County Coffee located in Philadelphia, Pennsylvania. From January 1999 to June 2001, Mr. Jameson was Executive Vice President of Wicks-N-Sticks located in Houston, Texas. From December of 1997 to December 1998, Mr. Jameson was Vice President of Operations with Wicks-N-Sticks located in Houston, Texas.

Ron Herbert
Chief Financial Officer

Mr. Herbert has served as our Chief Financial Officer since September 2020. Mr. Herbert is currently Chief Financial Officer of FASTSIGNS International, Inc. located in Carrollton, Texas, which he has been associated with since November 2018 and previously from October 2014 to June 2017. From January 2018 to November 2018, Mr. Herbert was Chief Financial Officer for Pieces Technologies, Inc. located in Dallas, Texas. From June 2017 to January 2018, Mr. Herbert was Chief Financial Officer for Paradigm Tax Group located in Addison, Texas. From June 2014 to October 2014, Mr. Herbert was a Consulting Chief Financial Officer of financial services in Dallas/Ft. Worth, Texas. From January 2010 to June 2014, Mr. Herbert was a Chief Financial Officer for Fairpay Solutions located in Addison, Texas.

Shayne Mehringer
Chief Information Officer

Mr. Mehringer has served as our Chief Information Officer since September 2020. Mr. Mehringer is currently the Chief Information Officer of FASTSIGNS International, Inc., which he has been associated with since August 2019. From November 2013 to July 2019, Mr. Mehringer was Chief Information Officer for Neighborly (formerly the Dwyer Group) located in Waco, Texas. From October 2012 to October 2013, Mr. Mehringer was Vice President and Chief Technology Officer for Veridikal Healthcare Solutions, LLC located in Dallas, Texas. From September 2011 to September 2012, Mr. Mehringer was Senior Vice President, Technology and Marketing for COHOST – A Mark Cuban Company located in Dallas, Texas. From November 2002 to August 2011, Mr. Mehringer was Founder and President of Ecorp Industries, Inc. located in Fort Smith, Arkansas.

Jennifer Herskind
Chief Marketing Officer

Ms. Herskind has served as our Chief Marketing Officer since September 2020. Ms. Herskind is currently the Chief Marketing Officer of FASTSIGNS International, Inc., which she has been associated with since September 2019. From March 2019 to August 2019, Ms. Herskind was a consulting Chief Marketing Officer. From July 2017 to February 2019, Ms. Herskind was Chief Marketing Officer for Smoothie King located in Dallas, Texas. From September 2011 to June 2017, Ms. Herskind was Vice President Marketing, Acquisition, and Engagement for Gold's Gym located in Dallas, Texas. From January 2005 to August 2011, Ms. Herskind was Assistant Vice President and Director of Marketing for Dave & Buster's located in Dallas, Texas.

Brian Kane
Senior Director of Technology Services

Mr. Kane has been our Senior Director of Technology Services since September 2020. Mr. Kane is currently the Principal of Xiocore LLC, which he has been associated with since February 2020. From July 2020 to August 2020, Mr. Kane was Chief Technology Officer for NerdsToGo, Inc. located in Guilford, CT. From May 2017 to February 2020, Mr. Kane was Vice President of Technology for a national computer reseller organization, Safari Micro, Inc. located in Chandler, Arizona. From March 2015 to May 2017, Mr. Kane was Director of Technology for a Team Logic IT franchise location located in Phoenix, Arizona.

Kristy Ferguson
Director of Marketing and Advertising

Kristy Ferguson has been our Director of Marketing and Advertising since December 2020. From September 2020 to November 2020, Ms. Ferguson was an independent consultant for us. From January 2019 to August 2020, Ms. Ferguson was our Chief Marketing Officer. Ms. Ferguson has been a Principal of Kristy Ferguson Consulting in Wallingford, CT, since June 2014.

Item 3
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

Franchise Fee

When you sign your franchise agreement, you must pay us \$49,750 as the initial franchise fee, regardless of whether your franchise location (“Location”) is under the Executive Office Model or the Local Service Center Model. The initial franchise fee is the same for all franchisees under this offering, except as described below. The initial franchise fee is not refundable.

We are a member of the International Franchise Association (“IFA”) and participate in the IFA’s VetFran Program. We offer a reduced initial franchise fee of \$24,875 to veterans of the U.S. Armed Forces who meet the requirements of the VetFran Program, a 50% discount.

We offer a reduced initial franchise fee of \$24,875 to first responders, a 50% discount. A first responder is a person with specialized training who is among the first to arrive and provide assistance at the scene of an emergency, such as an accident, natural disaster, or other catastrophic events. First responders include paramedics, emergency medical technicians, police officers, sheriffs, and firefighters (“First Responder”).

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	You will pay 8% of your Gross Service/software sales and 2% of your Gross Product Sales for your first 12 months of operation. Beginning the 13 th month of operation through the end of the term of the franchise agreement you will pay the greater of \$1,000 or 8% of Gross Service/software sales and 2% of Gross Product Sales.	You will report monthly Gross Sales of the Location to us by the 5 th day of the following month. The royalty fee is immediately due thereafter.	See Notes 1, 2 and 3.
Marketing Fund Contribution	2% of your Gross Service/software and Gross Product Sales from the opening date of the business through the end of the term of the franchise agreement.	You will report monthly Gross Sales of the Location to us by the 5 th day of the following month. The marketing fund contribution is immediately due thereafter.	We administer the Marketing Fund. We will reduce the amount of your local advertising requirement by the amount of your Marketing Fund Contribution. See note 4.

Technology Fee	Currently, \$175 per month	Monthly, on the 5th of each month	This fee is for use of our “NerdNet” proprietary operations portal, including four email addresses, one service management system license, and one customer relationship management (CRM) license. Additional email addresses are currently \$5.99 per month, additional service management licenses are \$50 per month (or other amount charged by the vendor), and additional CRM licenses are \$15 per month. We may modify NerdNet and its functionality in the future. We can increase the technology fee in our reasonable discretion. We will provide you with 180 days’ prior written notice before you we increase the technology fee. See note 7.
Website Services	At least \$400 per month	Monthly	See note 5.

Initial Advertising and Promotional Materials	\$14,500	Prior to training.	These monies fund initial marketing and advertising that may include local web search marketing, direct marketing (mailings to your area and materials to use and mail locally), social media campaigns, Pay-Per-Click advertising, virtual sales assistant customer prospecting email campaigns, and other programs during the first 4 to 6 months your Location is open.
Initial Advertising and Promotional Materials for a sale of an existing business to a third party buyer	\$10,000	Upon signing of the franchise agreement	These monies fund initial marketing and advertising including web marketing direct marketing (mailings to your area and materials to use and mail locally), telemarketing campaigns, and virtual sales assistant customer prospecting email campaigns, social media campaigns, Pay-Per-Click advertising, and other programs during the first 3 months upon your taking possession of the Location.
Replacement / additional training fee	Currently, \$600 per day	Prior to attending training	The franchise fee covers our training programs for you, 1, Nerd Technician, and one customer specialist. We may charge a reasonable fee for training of additional and/or subsequent employees. If in our judgment any trainee fails to successfully complete any part of the training program the trainee must repeat that portion of the training program until successful completion of all portions, at your expense, including the payment to us of \$600 per day of such additional training. You are responsible for arranging and paying the expenses for transportation, meals and lodging for you and the others while attending the training program.
Non-compliance fee	\$1,000	On demand	We may charge you \$1,000 for any non-compliance with our system specifications or your franchise agreement. If such non-compliance is ongoing, we may charge you \$250 per week until you cease such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.

Late fee	\$250 plus interest on the unpaid amount at a rate equal to 1.5% per month or the highest commercial contract interest rate the law allows, whichever is less	On demand	We may charge a late fee if you fail to make a required payment when due.
Failure to report sales	\$250 per week	On demand	We may charge this fee if you fail to report monthly Gross Sales
Insufficient funds fee	\$100 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Special support fee	Our then-current fee, plus our expenses. Currently, \$600 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing on-site support).
Customer complaint resolution	Our expenses		We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported Gross Sales by more than 3% for any 4-week period.
Inspection fee	Currently \$600, plus our out-of-pocket costs	On demand	Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.

Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Renewal Fee	15% of the then-current initial franchise fee.	On signing the renewal franchise agreement.	You must give us no more than 365 days and no less than 240 days' notice; sign the then-current franchise agreement and comply with other conditions we require (see Item 17).
Transfer fee	\$17,500 plus any broker fees and other out-of-pocket costs incurred by us	When transfer occurs	Payable if you sell your Location "resale" (other than for estate planning purposes or to a spouse, sibling, or child). See note 6.
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your Location (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.
Early Termination Damages	Amount varies.	30 days after early termination of franchise agreement.	See note 8

All fees are payable only to us (except the website management fee). All fees are imposed by us and collected by us (except the website management fee). All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate.

There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. “Gross Sales” is defined in the franchise agreement as the total dollar amount of all sales generated through your Location for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, or (iii) sale of used equipment not in the ordinary course of business.

“Gross Product Sales” means all Gross Sales of physical products.

“Gross Service/Software Sales” means all Gross Sales of services or software, and includes all sales which are not categorized as Gross Product Sales.

Under the franchise agreement, you will pay us 8% of your Gross Service/software sales and 2% of your Gross Product Sales the first 12 months that your Location is open. Beginning in your 13th month of operation of your Location through the expiration date of the franchise agreement, you will pay us the greater of \$1,000 or 8% of your Gross Service/software and 2% of your Gross Product Sales.

2. The minimum royalty fee is not a representation that you will achieve any particular level of Gross Sales.

You shall report monthly Gross Sales of the Location to GTN by the fifth (5th) day of the following month. The royalty fee is due and payable to us immediately thereafter through electronic funds transfer for the month to which the royalty fee applies (unless the day is a holiday, in which case payment (electronic funds transfer) will be done the next succeeding business day). You must provide us with the authorization for electronic funds transfer of the royalty fee. We reserve the right to change the method of payment of the royalty fee from electronic funds transfer to such other manner of payment as we deem appropriate at any time. A business day means any day other than Saturday, Sunday or the following national holidays: New Year’s Day, Martin Luther King Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans’ Day, Thanksgiving Day and Christmas Day.

3. You must report your Gross Sales to us each month. If you fail to report your Gross Sales, we will withdraw estimated royalty fees equal to the greater of (i) \$1,000 or (ii) the fee based on 125% of the last Gross Sales reported to GTN. We will true-up the actual royalty fees after you report Gross Sales.

4. Under the franchise agreement, the Marketing Fund Contribution percentage is 2% of Gross Service/software sales and your Gross Product Sales from the opening date of your Location through the expiration date of the franchise agreement.

Your obligation to pay the Marketing Fund Contribution begins immediately when your Location opens. The Marketing Fund Contribution is due and payable through electronic funds transfer in the same manner as the royalty fee described above. You must provide us with the authorization for electronic funds transfer of the Marketing Fund Contribution. We reserve the right to change the method of payment of the Marketing Fund Contribution from electronic funds

transfer to such other manner of payment as we deem appropriate at any time by notice to you. All Marketing Fund Contributions collected are deposited in a separate account (the “Marketing Fund”) that we will administer. Monies from the Marketing Fund are used to pay for marketing, advertising, and promotional programs for the NerdsToGo System (see Item 11).

5. You must use our approved provider for website management. Currently, the provider offers the following for \$400 per month:

- Website Platform:
 - A website will be built for your Location within our www.NerdsToGo.com main website. We call it the franchise microsite. The franchise microsite will be located at www.NerdsToGo.com/xyzlocationname.
 - Search Engine Optimization solution used for us to track up to 50 different franchise specific keywords and to detect issues and recommend change to improve SEO results.
 - Reporting software that gives NerdsToGo franchisees the ability to see all of their digital marketing data in one report including data from Google Analytics, Google AdWords, Bing, Facebook and more.
- Website Pages within the Franchise Microsite:
 - The Franchisee Microsite - Set-up and Ongoing Optimization of the various pages on the franchisee microsite
 - Pay-Per-Click Landing Page - Set-up and Ongoing Optimization of the Pay-Per-Click Landing Page

- o Facebook Location Page – Set-up and Maintenance of the Facebook Location Page (with all contact info and set-up to receive the NerdsToGo corporate posts automatically)
- Search Engine Optimization (SEO):
 - o Assistance with Copywriting as Needed (for the Bio) – Ongoing changes as needed
 - o Ongoing SEO META Tag Changes for the various pages within the microsite
 - o Ongoing SEO Copy Changes for the various pages on the franchisee microsite
 - o Website Usability Improvements to Drive More Traffic to franchisee microsite
 - o Google My Business Set-up & Ongoing Maintenance
 - o Local Citations – Ongoing Submission of the Franchise to Directories
- Blogs – Blogs written specifically for the individual Location
- Monthly Reporting
 - o Assembling Monthly Reports with Insights and Recommendations for Improvements
 - o Provider will have update calls with the you on a monthly basis or however deemed necessary by the provider
 - o Maintenance - Additional Assistance as Needed with Reporting, Website Changes, Creative Design, Digital Marketing Advice, etc.

You can purchase additional digital advertising (SEO, SEM, Social Media and other digital approved services) from our approved provider. We recommend that you spend \$1,000 - \$2,000 per month, but may vary based on the market and territory. This spending counts towards your obligation to market your Location.

6. We charge a transfer fee of \$17,500 for transfers such as transfer of the franchise agreement, transfer of a controlling ownership interest in you or one of your owners.

7. In an effort to remain competitive with the market and continually offer our services as an innovative industry leader we charge a “technology fee”. This fee is used to cover the increasing cost of supplying technology solutions to the network and/or to fund the continued development of new and innovative features for the franchise microsite.

8. If we terminate the franchise agreement as a result of your breach, then within 30 days following such termination, you must pay us an amount equal to the average monthly royalty fee and Marketing Fund Contribution (if applicable) that you owed to us for the past 24 months multiplied by the lesser of 36 or the number of months remaining in the Term (“Early Termination Damages”). If you have not operated the business for 24 months prior to the termination of the franchise agreement, the Early Termination Damages will be calculated by using the average monthly royalty fee and marketing fund contributions you owed for the number of months that the business operated multiplied by 36.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – EXECUTIVE OFFICE MODEL

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	\$49,750 - \$49,750	Check or wire transfer	Upon signing the franchise agreement	Us
Vehicle Leases for 10 NerdVan (see Note 2)	\$400 - \$400	Check or debit	Upon purchase	Vendor
Vehicle Graphics for one NerdVan (see Note 3)	\$3,400 - \$3,400	Check, debit, and/or credit	As incurred	Us; local graphic installer
Equipment, Tools & Systems for one NerdVan (see Note 4)	\$1,000 - \$1,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Inventory for one NerdVan (see Note 5)	\$2,500 - \$2,500	Check, debit, and/or credit	As incurred	Vendors and suppliers
Deposits	600 1,500	Check, debit, and/or credit	Upon ordering service and signing lease	Utility providers and Landlord
Leasehold Improvements (see Note 7)	\$2,000 - \$10,000	Check	As incurred or when billed	Contractors
Furniture, Fixtures, Cabinetry, and Displays	\$1,000 - \$5,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Office Supplies	\$100 - \$300	Check, debit, and/or credit	As incurred	Vendors and suppliers
Service Area, Equipment, Tools, and Systems (see Note 8)	\$1,500 - \$5,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance (see Note 9)	\$400 - \$1,000	Check	Upon ordering	Insurance company
Signage – Inside and Outside	\$1,000 - \$3,000	Check, debit, and/or credit	Upon ordering	Vendors and suppliers
Professional Fees (lawyer, accountant, etc.)	\$250 - \$1,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms

Marketing Introduction Plan (see Note 10)	\$14,500 - \$14,500	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Marketing Materials and Uniforms (see Note 11)	\$2,500 - \$4,500	Check, debit, and/or credit	Upon ordering	Vendors and suppliers
Travel, Lodging and Meals for Initial Training	\$1,000 - \$5,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Working Capital (for first 4 months) (see Note 12)	\$45,000 - \$75,000	Varies	Varies	Employees, suppliers, landlord, utilities
Total (see Note 13)	\$126,900 - \$182,850			

YOUR ESTIMATED INITIAL INVESTMENT – LOCAL SERVICE CENTER MODEL

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	\$49,750 - \$49,750	Check or wire transfer	Upon signing the franchise agreement	Us
Vehicle Lease for one NerdVan (see Note 2)	\$400 - \$400	Check or debit	Upon purchase	Vendor
Vehicle Graphics for one NerdVan (see Note 3)	\$3,400 - \$3,400	Check, debit, and/or credit	As incurred	Us; local graphic installer
Equipment, Tools & Systems for one NerdVan (see Note 4)	\$1,000 - \$1,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Inventory for one NerdVan (see Note 5)	\$2,500 - \$2,500	Check, debit, and/or credit	As incurred	Vendors and suppliers
Deposits	\$1,000 - \$3,500	Check, debit, and/or credit	Upon ordering service and signing lease	Utility providers and Landlord
Leasehold Improvements (see Note 7)	\$15,000 - \$30,000	Check	As incurred or when billed	Contractors
Furniture, Fixtures, Cabinetry, and Displays	\$5,400 - \$12,500	Check, debit, and/or credit	As incurred	Vendors and suppliers
Office Supplies	\$100 - \$300	Check, debit, and/or credit	As incurred	Vendors and suppliers

Service Area, Equipment, Tools, and Systems (see Note 8)	\$1,500 - \$5,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance (see Note 9)	\$400 - \$1,000	Check	Upon ordering	Insurance company
Signage – Inside and Outside	\$2,500 - \$7,700	Check, debit, and/or credit	Upon ordering	Vendors and suppliers
Professional Fees (lawyer, accountant, etc.)	\$250 - \$1,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Marketing Introduction Plan (see Note 10)	\$14,500 - \$14,500	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Marketing Materials and Uniforms (see Note 11)	\$2,500 - \$4,500	Check, debit, and/or credit	Upon ordering	Vendors and suppliers
Travel, Lodging and Meals for Initial Training	\$1,000 - \$5,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Working Capital (for first 4 months) (see Note 12)	\$45,000 - \$75,000	Varies	Varies	Employees, suppliers, landlord, utilities
Total (see Note 13)	\$146,200 - \$217,050			

Notes

1. Franchise Fee. The amount of the initial franchise fee for a territory with up to 100,000 people is \$49,750. You will pay an initial franchise fee of \$24,875, a discount of 50%, if you are a veteran of the U.S. Armed Forces that meet the requirements of the VetFran Program or you are a First Responder as described in Item 5 of this Disclosure Document. The initial franchise fee is non-refundable under the terms of the franchise agreement. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

2. Vehicle Leases. You will begin your NerdsToGo franchise with one NerdVan. You may add additional NerdVans as your business grows.

3. Vehicle Graphics. Your NerdVan must have our required vehicle graphics. You will purchase the vehicle graphics either through us or directly from our approved vendor. The vendor will have the vehicle graphics mailed to your local installer.

4. Equipment, Tools and Systems for NerdVan. This reflects the amount you pay for the diagnostic and repair equipment, tools and systems you will need for one NerdVan to service and repair computer and electronic devices.

5. Inventory. You will need to buy opening inventory that complies with our specifications. This inventory will include computer and electronic devices, computer accessories and computer and electronic parts. The inventory will include computer desktops, laptops, routers, switches, hubs, cables, tablets, digital music players, parts, computer accessories, cell phones and accessories. We estimate the cost of inventory at \$2,500 per NerdVan.

6. Deposits for Site Lease and Utilities. The figure includes miscellaneous utility deposits such as telephone, electric, gas, and water. These amounts will vary based on the Location's geographic area, your credit rating and other factors. We have specific criteria for the Local Service Center Model and the Executive Office Model to enable us to approve a particular site. We use a variety of reports, information, and sources. We are not obligated to visit a proposed site for approval. Site visits will be as needed and determined by us. If a site visit is determined as necessary by us, we will notify you. You will lease the site, typically located in an office/business park or free-standing building on a visible corridor. The sites are typically 800 to 1,500 square feet at approximately \$12 to \$35 per square foot in annual rent. Rental rates and payment terms vary significantly based on geographic area and market conditions. The lease deposit varies based on market area standards and credit rating, and typically include first and last month's rent. The actual deposit and rent you pay will vary depending on the size of the site, the geographic area, your ability to negotiate with landlord, prevailing rental rates, and other factors.

7. Leasehold Improvements. The space you lease for your Location must meet NerdsToGo criteria without major renovations. The estimated cost for leasehold improvements assumes you pay for the work yourself, rather than using "tenant improvement" money contributed by the landlord. Negotiating tenant improvement dollars would reduce your leasehold improvement cost.

8. Equipment, Tools and Systems. This reflects the amount you pay for the equipment you will need, including computers, monitors, servers, tools, routers, testing software, security camera system and equipment, and other diagnostics tools and equipment needed to operate the Location and potentially service and repair computer and electronic devices at the Location.

9. Insurance. Our estimate for the initial cost of insurance is based on payment of premium for one quarter (and not for the entire year).

10. Initial Marketing. This reflects the amount you will spend on advertising and marketing before opening your Location and over the course of the first 4 to 6 months of operation. We require you to spend at least \$14,500 on advertising and marketing in this period. We require you to spend \$10,000 for initial marketing and advertising for a resale. The programs in the initial marketing and advertising plan may include direct mail marketing programs (including a grand opening mail campaign), initial marketing materials (3 to 4 month supply),

local web search marketing including local Pay-Per-Click advertising, virtual sales assistant customer prospecting email campaigns, social media advertising and management, and sales promotion items. There are 12 months of virtual sales assistant customer prospecting email campaigns included for a new location and 6 months is included for a resale in your initial marketing and advertising plan. If additional funds remain after we outline the spending on these programs and materials on the elements above, we may approve other programs such as local media or association marketing opportunities for inclusion in the pre-paid portion of the marketing plan. Marketing programs are evaluated for effectiveness and we may make changes to the tactics in order to optimize the initial marketing and advertising plan. The marketing plan will also include recommended programs and spending that you can choose to implement or modify as desired beyond the pre-paid marketing fund amount. These programs and their associated costs are not included in the initial advertising costs payable to the Marketing Fund.

After the initial marketing and advertising for the Location as described in this Note 10 for the Location or resale is completed, you are required to continue Pay-Per-Click advertising using and paying our designated agency. If you choose to continue the virtual sales assistant customer prospecting email campaigns upon expiration of the pre-paid marketing dollars referenced above, you must use and pay our designated vendor.

11. Marketing Material. This is an estimate for marketing related expenses for giveaways, promotional material and uniforms for your staff members including shirts, jackets, t-shirts and wearable items to promote the Location.

12. Working Capital. These amounts are estimates of initial working capital costs such as rent, telephone, utilities, employee wages, benefits, workers' compensation, advertising, and promotional activities, inventory costs, royalty fee, Marketing Fund Contribution, website management and technology fee payments, operational supplies, and professional fees. There are occasions when these funds might be used to finance receivables incurred in the Location. These figures are estimates and we cannot assure you that you will not have additional expenses operating the Location. The amount of working capital you may need depends on factors such as your management skills, experience and business acumen; local economic conditions; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These amounts include \$27,864 in debt service (principal & interest) for the first 12 months based on financing \$200,000 over 10 years at a 7 percent interest rate. These amounts do not include salaries, benefits or personal living expenses for you, your Executive Principal or general manager. These amounts are in addition to all other expenses in this chart.

13. Staffing and Other Conditions to Opening. Before you open, you must satisfy all of our pre-opening requirements. These include having at least full-time one Nerd technician and one full-time customer specialist (both having completed our training) to interact with customers and dispatch Nerd technicians.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your Location (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. Your Location is subject to our approval and must meet our specifications. If you have a Local Service Center Model, you must use reasonable efforts to have your landlord sign our form of Rider to Lease Agreement (attached to this disclosure document as Exhibit C).

B. Insurance. You must obtain insurance as described in the franchise agreement and in our Operating Manual, which includes (i) “Special” causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Location, for full repair and replacement value (subject to a reasonable deductible); (ii) business interruption insurance covering at least 12 months of income; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$2,000,000 aggregate limit; (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than \$1,000,000; (v) Employment Practices Insurance that provides protection against employee lawsuits. The policy will reimburse against the costs of defending a lawsuit in court and for judgments and settlements; (vi) Cyber Liability Insurance with limits of not less than *\$50,000 to cover your liability for data breaches involving sensitive customer information, such as credit card numbers, account numbers and driver’s license numbers. *Please consult with your insurance agent regarding the appropriate amount to carry based on your Location’s operation; and (vii) Workers Compensation coverage as required by state law. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days’ prior written notice of cancellation. See Item 11 for more details.

We may change the coverage requirements and the amounts at our discretion and will advise you of the changes in the Operating Manual or in writing. You may, after obtaining our written consent, elect to have reasonable deductibles under the coverage required under paragraphs (i) through (vi) above.

C. Computer Systems. You must purchase the software and computers systems that we specify. See Item 11 for more details.

D. Vehicles. You must use a Nissan NV200 or other vehicle approved by us in writing. Your vehicle that you use for your Location must be wrapped with our required graphics. The boxy style car is a critical element of our brand, and all the cars at a particular franchise must be the same year, make and model. You will purchase your vehicle wraps through us; we will have them mailed to your local installer. You will open your Location with one vehicle and add other vehicles as your business as your Location grows.

E. Website Management. You must use our preferred vendor for website management, search engine optimization, and search engine marketing.

F. Signs. You must use our preferred vendor for exterior signage.

G. Advertising. All promotional, sales, marketing and advertising materials (including print, digital, and media advertising, vehicle graphics, business stationery, cards, forms, envelopes, novelty items, and materials used to market the business), public relations and social media activities, sales collateral materials and other items we specify must bear the Marks in the form, color, location and manner we require. In addition, all your advertising, marketing, sales, and promotional plans in any medium will be conducted in a dignified manner and will conform to the standards and requirements in the Operating Manual or as we otherwise specify in writing. You are required to participate in local Pay-Per-Click advertising using and paying our designated agency to direct web traffic to your Location during business hours. You may speak on behalf of your Location to the media, but you need pre-approval from us to speak to the media on our behalf. You may maintain a virtual sales assistant customer prospecting email campaign program paying and using our vendor. You may purchase advertising materials and enroll in marketing programs from designated suppliers as long as the programs meet our requirements. See Item 11 for more details.

Us or our Affiliates as Supplier

Neither we nor any affiliate is currently a supplier of any goods or services that you must purchase, although we reserve to the right to be a supplier (or the sole supplier) of a goods or services in the future.

Ownership of Suppliers

None of our officers owns an interest in any supplier to our franchisees.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract

with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 90 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Operating Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the Location in our Operating Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Operating Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after testing in our headquarters, in the company-owned outlet, and/or a limited market test in multiple units.

Revenue to Us and Our Affiliates

We derive revenue from franchisees' payments for NerdNet and franchisees' optional purchase of vehicle graphics through us. We also derive revenue from earlier franchisees who pay us 4% of Gross Sales in exchange for providing customer support services; we no longer require or offer this service to new franchisees. Our total revenue in the 2019 fiscal year was \$837,146. Our revenue from all purchases and leases of products and services by franchisees in the 2019 fiscal year was \$94,898, or 11.3%.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases are 60% of your total purchases and leases to establish your Location.

We estimate that the required purchases and leases of goods and services are 75% of your total purchases and leases of goods and services to operate your Location.

Payments by Designated Suppliers to Us

We do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, the franchise agreement does not prohibit us from doing so.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We have negotiated purchase arrangements with various suppliers (including price terms) for the benefit of franchisees, such as our website management/SEO/SEM provider.

Benefits Provided to You for Purchases

We do not provide any material benefit to you (such as renewal or granting additional franchises) based on your purchase of particular goods or services, or your use of particular suppliers.

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	§§ 6.1, 6.2	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Section 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.4, 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Sections 4, §§ 5.5, 7.8, 10.5, 11.2, 11.3, 15.2, 16.1, 17.6	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	§§ 6.3, 7.1, 7.3, 7.5, 7.7, 7.9 – 7.13, 7.15, 9.1, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Sections 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16
j. Warranty and customer service requirements	§§ 7.3, 7.8, 7.9	Item 8
k. Territorial development and sales quotas	§ 2.2	Item 12
l. Ongoing product/service purchases	Section 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 3.2, 7.12, 7.13, 15.2	Items 6, 7 and 8
n. Insurance	§ 7.15	Items 6, 7 and 8
o. Advertising	Section 9	Items 6, 7, 8 and 11
p. Indemnification	Section 16	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4	Items 15
r. Records and reports	Section 10	Item 11
s. Inspections and audits	§§ 10.5, 11.2	Items 6 and 11
t. Transfer	Section 15	Items 6 and 17

u. Renewal	§ 3.2	Item 17
v. Post-termination obligations	Sections 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Section 17	Items 6 and 17

Item 10
FINANCING

We are registered on the United States Small Business Administration's ("SBA") Franchise Registry. This is a national on-line listing of franchise systems whose franchisees receive an expedited loan process when applying for 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

Before you open your Location:

A. *Your site.* Site selection assistance as described under “Site Selection” below. (franchise agreement, Subsection 5.4.). If you are unable to obtain a site for the Location that we approve within 12 weeks after you sign the franchise agreement or if you are unable to obtain the permits, licenses, and certifications you need to begin construction within 16 weeks after we approve the site for the Location, or if you are unable to acquire sufficient financing to complete construction of the Location and to open the Location for business within 365 days after the effective date of the franchise agreement, we may terminate the franchise agreement.

B. *Constructing, remodeling, or decorating the premises.* We will provide you with a set of our standard building plans and specifications and/or standard recommended floor plans, and our specifications for required décor (Subsection 5.4).

C. *Hiring and training employees.* We will provide you with our minimum staffing levels (Subsection 5.2), suggested guidelines for hiring employees (Subsection 5.2), operational instructions in the Operating Manual which you can use as part of training new employees (Subsection 5.3), and our initial training program described below. Our opening support (as described below) includes assisting you in training employees. All hiring decisions and conditions of employment are your sole responsibility.

D. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your Location. (Subsection 5.4) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

E. *Operating Manual.* We will give you access to our Operating Manual (Subsection 5.1).

F. *Initial training program.* We will conduct our initial training program. (Subsection 5.4). The current initial training program is described below.

G. *Business plan review.* If you request, we will review your pre-opening business plan and financial projections. (Subsection 5.4).

H. *Market introduction plan.* We will advise you regarding the planning and execution of your market introduction plan. (Subsection 5.4).

Our Post-Opening Obligations

After you open your Location:

A. *Developing products or services you will offer to your customers.* Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Hiring and training employees.* We will provide you with our minimum staffing levels (Subsection 5.2), suggested guidelines for hiring employees (Subsection 5.2), and operational instructions in the Operating Manual which you can use as part of training new employees (Subsection 5.3). All hiring decisions and conditions of employment are your sole responsibility.

C. *Improving and developing your Location; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your Location, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently \$600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing on-site support). (Subsection 5.5).

D. *Establishing prices.* Upon your request, we will provide recommended prices for products and services. (Subsection 5.5).

E. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control. (Subsection 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our system.

F. *Marketing Fund.* We administer the Marketing Fund. (Subsection 5.5). We will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon request. (Subsection 9.3)

G. *Website.* We will maintain a website for the NerdsToGo brand, which will include your business information. (Subsection 5.5)

H. *Marks.* If we substitute different names and marks to identify the System and the businesses operating in it for the trade names, trademarks, service marks and logos specified by us from time to time for use in a NerdsToGo business (the “Marks”), if the Marks can no longer be used or the use is restricted, we may, at our discretion, reimburse you for a portion of the expenses you incur that are directly related to any change or modification, when we receive documentation satisfactory to us. (Subsection 12.2.).

Advertising

Our obligation. We will use the Marketing Fund only for marketing and related purposes and costs. Media coverage is primarily local. We use outside vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website. We have no other obligation to conduct advertising.

Your own advertising material. All local advertising and promotion you conduct must be approved by us or must be consistent with our Marks, in good taste, and in a form provided or approved by us. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

Advertising council. We do not have an advertising council composed of franchisees.

Local or Regional Advertising Cooperatives. We do not have any local or regional advertising cooperatives. We do not have the right to require you to participate in a local or regional advertising cooperative.

Marketing Fund. You and all other franchisees must contribute to our Marketing Fund. Your contribution will be 2% of Gross Sales per month. All Marketing Fund Contributions we collect are deposited in a separate account that we administer. The Marketing Fund is intended to maximize general public recognition and acceptance of the Marks and the NerdsToGo System. In administering the Marketing Fund, we have no obligation to make expenditures for you that are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro-rata from the production and execution of the advertising.

The Marketing Fund will not be audited. We will make unaudited annual financial statements available to you upon request. If less than all Marketing Fund Contributions are spent in the fiscal year in which they accrue, the money will remain in the Marketing Fund to be spent in the next year. The Marketing Fund is not used to develop, produce, or conduct advertising that is primarily a solicitation for the sale of franchises.

Market introduction plan. In addition to the Marketing Fund Contribution you are required to spend not less than \$14,500 (\$10,000 if you are a resale) on initial marketing and advertising for your Location in your local market. The \$14,500 for initial marketing advertising which is administered by our marketing department is paid to us before registering for the initial training program. The \$10,000 for initial marketing and advertising for a resale is paid upon signing of the franchise agreement. Our marketing department will create a marketing and advertising plan for each new location and resale and will allocate your required initial marketing and advertising pre-paid dollars to local programs at our sole discretion that will be scheduled to run for 4 to 6 months for a new business and 3 to 4 months for a resale. The programs in the initial marketing and advertising plan may include direct mail marketing programs (including a grand opening mail campaign), initial marketing materials (3 to 4 month supply), local web search marketing, including local Pay-Per-Click advertising, virtual sales assistant customer prospecting email campaigns, social media campaigns, and sales promotion items. There are 12 months of virtual sales assistant customer prospecting email campaigns included for a new

business and 6 months are included for a resale in the initial marketing and advertising plan. Marketing programs are evaluated for effectiveness and we may make changes to the tactics in order to optimize the initial marketing and advertising plan. If additional funds remain after we outline the spending on these programs and materials on the elements above, other programs such as local media or association marketing opportunities can be included in the pre-paid portion of the marketing plan.

Recommended spending. After the initial market introduction plan, you must spend the 5% of Gross Sales (inclusive of the 2% paid to the Marketing Fund) each month on local marketing and promotion of your Location. This amount is only a minimum requirement, and we do not represent that it is the optimal amount of money you spend on marketing. All local advertising and promotion you conduct must be approved by us or must be consistent with our Marks, in good taste, and in a form provided or approved by us.

Pay-Per-Click Advertising. Upon expiration of the pre-paid marketing dollars referenced above for Pay-Per-Click advertising, you are required to continue Pay-Per-Click advertising using and paying our designated agency to direct web traffic to your Location during its hours of operation.

Virtual Sales Assistant. If you choose to continue the virtual sales assistant customer prospecting email campaigns upon expiration of the pre-paid marketing dollars referenced above, you must use and pay our designated vendor.

On-line Marketing. You must use our approved provider for website management, search engine optimization (SEO), and search engine marketing (SEM).

Social Media. Your Location may participate in approved social media programs (“Social Media”) and sites in accordance with our policies and guidelines established for Social Media, in the same geographic area as your Territory. (See Item 12 for more details). Different social media programs are allowed following our Social Media policy, guidelines, and naming convention. On social media sites where a “parent/child” listing relationship exists, we must be co-administrators of your account.

Point-of-Sale and Computer Systems

You must use our “NerdNet” cloud-based software. The system is designed to provide you with daily management systems and infrastructure as it relates to management, financials and daily transactions. NerdNet will generate or store data such as financial, transaction and customer information. You must also use our “Service Management Software”. This software provides field service management tools, including scheduling jobs, dispatching Nerd technicians, billing customers, providing payment processing and managing our service management systems. The Service Management Software will also generate or store data such as financial, transaction and customer information. Our monthly technology fee (currently \$175 per month) includes NerdNet, a license for our Service Management Software (currently \$50 per month for each additional license); four email addresses (currently \$5.99 per month for each additional license) and one customer relationship management license (currently \$15 per month for each additional license).

We require you to buy (or lease) and use computers; monitors; printers; applications for word processing, spreadsheets, accounting, and other typical office needs; Internet access; and mobile phones as needed for your Location. We currently do not require any particular computers, peripherals, or software except as listed above.

We estimate that these systems will cost between \$5,500 and \$21,000 to purchase.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do not require you enter into any such contract with a third party.

You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be \$1,000 to \$5,000.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Operating Manual

See Exhibit F for the table of contents of our Operating Manual, and the number of pages devoted to each subject. The Operating Manual has 260 pages.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction and Administrative	1		Guilford, CT
Computer Support Industry and Competition	1		Guilford, CT
Understanding Potential Clients and Target Market	1		Guilford, CT
How to handle competition	1		Guilford, CT
Your Business Plan	1		Guilford, CT
Service Offerings	4		Guilford, CT
Pricing	3		Guilford, CT
Customer Service	2		Guilford, CT
Service Call Procedures	4		Guilford, CT
Financial Procedures	2		Guilford, CT
Hiring and Staffing	4		Guilford, CT
Operations Manual Usage	1		Guilford, CT
Work Order Processing	1		Guilford, CT
Selling Services and Products	6		Guilford, CT
Marketing and Advertising	4		Guilford, CT
Guerilla Marketing Program	2		Guilford, CT
TOTALS:	38		

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes once per month. Training will be held at our offices and business location in Guilford, Connecticut. We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program. We reserve the right to convert traditional classroom training entirely to or convert certain sessions to live instructor led virtual training.

The instructional materials consist of the Operating Manual and other materials, lectures, discussions, and on-the-job demonstration and practice.

Training classes are overseen by David Colella. His experience is described in Item 2. He has 28 years of experience in our industry, and 18 years of experience with us or our affiliates.

Classes on particular topics may be led by individual training class leaders. Class leaders will have at least one year of experience in the applicable field.

There is no fee for up to four people to attend training. You must pay the travel and living expenses of people attending training.

You, a Nerd technician and a customer specialist must attend training before opening your Location. You must open your Location with one Nerd technician and one customer specialist. If you hire a general manager before opening your Location, he or she must also attend training. You may send any additional people to training that you want (up to the maximum described above). You must complete training to our satisfaction at least 4 weeks before opening your Location.

We will provide our Nerd technician training program to up to 2 Nerd technicians and our sales and business development training program to up to 2 salespeople before you open. There is no additional fee for this service. The Nerd technician training is held at our offices and location in Guilford, Connecticut; you are responsible for the travel and living expenses. The sales and business development training is done on-line.

Your Location must at all times be under your on-site supervision or under the on-site supervision of or a general manager who has completed our training program. If you need to send an employee to our training program, we will charge a fee, which is currently \$600 per day. Otherwise, we do not currently require additional training programs or refresher courses, but we have the right to do so.

Site Selection: You assume all cost, liability, expense, and responsibility for locating, obtaining, and developing a site for your Location and for constructing and equipping the Location at the site. You are prohibited from making any binding commitment to a prospective vendor or lessor of real estate for a site for a location unless the site is approved by us in compliance with the procedure described below. Our approval of a prospective site or providing assistance in its selection is not a representation, promise, warranty or guarantee by us that a NerdsToGo location operated at that site will be profitable or otherwise successful.

You will acquire, at your expense, a site for the Location at a site we approve within 12 weeks after you sign your franchise agreement. We may extend that time period in writing. The Location may not be relocated without our written consent. At our discretion, we will select a local broker to assist you in locating sites for your Location which satisfy our site selection criteria.

We will review proposed sites with you to ensure they meet our criteria for visibility, accessibility and suitability of the Premises and other relevant factors. We have specific criteria for a NerdsToGo location to enable us to approve a particular site. We use a variety of reports, information and sources. You will sign a lease or sublease for the Location within 16 weeks after you sign your franchise agreement. The factors we consider in approving sites are general location and neighborhood, visibility (for a Local Service Center Model), accessibility, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms. Site visits will be as needed and determined by us. If a site

visit is determined as necessary by us, we will notify you. We may withhold approval of any particular site for any bona fide reason that we, in the exercise of our reasonable business judgment, deem necessary. In the event, that our representative will make a trip, we will pay all costs incurred by our representative for an on-site evaluation of the premises for a location. You pay all costs incurred for any additional on-site evaluations you request or if we determine that additional evaluations are necessary. In addition, if you relocate the Location for any reason, you pay all costs we incur conducting an on-site evaluation of the proposed Location.

If you will occupy the premises for the Location under a lease, you will submit the lease to us before it is signed for our approval, and furnish us a copy of the signed lease within 10 days after you sign it. Before we approve the lease for the Location, the lease must contain substantially the terms and provisions contained in our form of Rider to Lease Agreement (attached to this disclosure document as Exhibit C). You are not permitted to operate the Location under a month-to-month lease without our prior written approval. If you purchase the premises for the Location, you will submit the contract of sale to us for approval before it is signed and furnish us a copy of the signed contract of sale within 10 days after it is signed.

If we cannot agree on a site or if you fail to acquire a site for the Location within the time period or any extension we grant, it will be a default under the franchise agreement and we have the right to terminate the franchise agreement.

The maximum time from the date you sign the franchise agreement to the opening of the Location for business should not exceed 365 days with the average time taking 5 to 8 months. This time may vary depending on a number of factors, including your ability to obtain financing, the time necessary to obtain an acceptable site, the time required to obtain permits and licenses necessary to operate the Location, the time required for tenant improvements and the time required for training.

Item 12

TERRITORY

Your Location

The franchise agreement grants you the right to operate a single Location at the approved site. You are assigned a specific geographic area of a population with a minimum of 100,000 people (the “Territory”). If you comply with the franchise agreement, we will not establish or grant others the right to establish a NerdsToGo business in the Territory unless there is an increase of at least 10% in the number of people in the Territory. Your Territory will be described in Attachment “2” to the franchise agreement. You must use your best efforts to advertise and promote the Location in the Territory. You may not offer or sell the products or services offered at the Location from any other premises.

Relocation; Establishment of Additional Outlets

You do not have the right to relocate your Location, and we have no obligation to approve any request for relocation. Our policy is to approve relocation of a franchisee’s business on case-by-case basis, considering factors such as changes in demographics, profitability of your current Location, or a loss of your premises due to circumstances beyond your control.

You do not have any options, right to establish additional franchised outlets or expand into an additional Territory. If you want to establish additional franchised outlets, you must (1) meet our then-current criteria for new franchisees as well as our then-current criteria for multi-unit franchisees, (2) be in compliance with your franchise agreement at all times since opening your Location, (3) have demonstrated your capability to operate the franchise successfully, and (4) obtain our agreement.

Territory Protection

We and our affiliates retain certain rights within and outside the Territory, as described below in this Item. Therefore, you will not receive an exclusive Territory. You may face competition from other NerdsToGo franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. The franchise agreement permits us to establish one or more NerdsToGo franchises in the Territory if there is a significant increase of at least 10% in people in the Territory. In order to re-determine the size of your Territory and grant a franchise for another NerdsToGo business in your Territory, your new assigned Territory must contain at least 100,000 people.

We may dispatch another NerdsToGo operator to provide service to a customer in your Territory if: (i) you are not available to service the call within the time requirements we specify, (ii) the customer makes a special request which we elect to honor, (iii) we determine it necessary based on the experience and skills necessary to perform the requested services, (iv) the customer is a national account or regional account customer and you are not participating in the account program for the customer; or (v) if you are in default of your franchise agreement

Rights We Reserve

The franchise agreement does not preclude us or any of our affiliates from establishing, operating, franchising or licensing others to operate businesses at any site, including within your Territory by: (i) operating or franchising others to operate, similar or competitive businesses located inside or outside the Territory under trademarks or service marks other than the Marks; (ii) operating or franchising others to operate, other dissimilar businesses located inside or outside your Territory under trademarks or service marks other than the Marks; (iii) selling products or services anywhere that are similar to those sold by NerdsToGo businesses, but under trademarks or service marks other than the Marks; (iv) selling products and services anywhere that are similar to those sold by NerdsToGo businesses, which products and services are sold under the trademarks or service marks but through dissimilar distribution channels (including without limitation via general or specialty retailers, the Internet or other electronic media); (v) selling products and services anywhere that are dissimilar from those sold by NerdsToGo businesses, but under the trademarks or any other trademarks or service marks; (vi) the right to operate, and to grant others the right to operate NerdsToGo businesses located anywhere outside your Territory; (vii) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at NerdsToGo businesses, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and (viii) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at NerdsToGo businesses, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your Territory. While we currently have no plans to conduct those other businesses, we reserve the right to do so.

We are not required to pay you if we exercise any of the rights specified above inside your Territory.

Soliciting By You Outside Your Territory

Generally, there are no other restrictions in the franchise agreement that prevent you from soliciting business outside of your Territory, but you do not have the right to use other channels of distribution to make sales outside your Territory. There are also no restrictions that prohibit us or any other franchisee from soliciting business within your Territory. However, we recommend that all franchisees focus on soliciting business in their own territories.

There are certain franchisees (each, a “Legacy Franchisee”) that have entered into franchise agreements before the date of this Disclosure Document and were granted protected territories that are broader than the Territory that you will receive (each, a “Legacy Territory”). In Legacy Territories, we will not open another NerdsToGo business, and we will not license or franchise another party to open a NerdsToGo business in the Legacy Territory. We and our Franchisees are not allowed to service customers located in any Legacy Territory. If you operate a location near a Legacy Territory, we may require you to enter into an addendum to your franchise agreement requiring you to comply with these restrictions.

Item 1 describes our current affiliated franchise programs, which are not direct competitors of the NerdsToGo system given the products/services they sell. There is no formal mechanism in place for resolving conflicts that may arise between your Location and the units of our affiliated franchise systems. We do not expect any material conflicts regarding Territory, customers or franchise support.

Item 13

TRADEMARKS

Principal Marks

The following are the principal Marks that we license to you. These Marks are owned by More Than IT, LLC

These Marks are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”). Because the federal trademark registration is less than 6 years old, no affidavits are required at this time. The registration has not yet been renewed.

Trademark	Registration Number	Registration Date
NERDS TO GO	4,886,072	January 12, 2016
	6,064,332	May 26, 2020

NTG previously obtained a trademark registration with the USPTO for the logo Mark above, but that registration lapsed. NTG re-filed and obtained the registration above.

Determinations

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in the Marks.

Agreements

There are no currently effective agreements that significantly limit our rights to use or license the use of the Marks listed above in a manner material to the Location.

NTG, our affiliate, owns the Marks described in this Item. Under an Intercompany License Agreement between us and NTG, we have been granted the exclusive right to sublicense the Marks to franchisees throughout the United States. The agreement is of perpetual duration. It may be modified only by mutual consent of the parties. It may be canceled by our affiliate only if (1) we materially misuse the Marks and fail to correct the misuse, or (2) we discontinue

commercial use of the Marks for a continuous period of more than one year. The Intercompany License Agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

Protection of Rights

We protect your right to use the principal Marks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the Marks, to the extent described in this section.

You must immediately notify us of any infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You and owners must not communicate with any person other than us and our counsel concerning any infringement, challenge, or claim. We have complete discretion to take any action that we determine appropriate and have the right to exclusively control and conduct any litigation, or USPTO or other proceeding arising out of any infringement, challenge, or claim relating to any of the Marks. You must sign any and all instruments and documents, provide any assistance, and perform any acts that, in the opinion of our counsel, are necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or to otherwise protect and maintaining our interest in the Marks. At our option, we may defend and/or control the defense of any proceeding arising from your use of any of the Marks. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving the Marks; however, if you timely notify us and comply with our directions in response to a Marks infringement proceeding that disputes your authorized use of the Marks, then we will reimburse you for your damages and reasonable expenses you incur.

We reserve the right to substitute different names and marks to identify the System and the businesses operating under it if the Marks no longer can be used or their use is restricted, or if we determine that substituting different names and marks will benefit the System. You must pay any costs you incur to comply with any change or modification of the Marks. We may, at our discretion, reimburse you a portion of the expenses you incur that are directly related to the change or modification. You must send us documentation satisfactory to us.

Superior Prior Rights and Infringing Uses

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

Your Use of the Marks

You must use only the Marks we designate and use them only in the manner we authorize and permit. Any unauthorized use of the Marks is an infringement of our rights and a material event of default under the franchise agreement. You must not use the name NerdsToGo or any other Mark in the corporate or other legal name of any corporation or other entity formed by or affiliated with you. You must use the Marks only for operating or in advertising the Location.

You must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must execute any documents we require to protect the Marks or to

maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our ownership of, or of our or any of our affiliate's rights in and the Marks.

When the franchise agreement terminates or expires, you must immediately stop using our Marks, remove them from the Location and cancel any advertising using the Marks. We have exclusive rights to our Marks. We also have the right to monitor, supervise and control the use of our Marks by our franchisees and the nature and quality of the goods and services provided under the Marks. We have the right to modify or discontinue the use of any of the Marks and you are required to comply with our standards for their use as modified.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Operating Manual as well as all other sales, training, videos, marketing, designs, advertising and promotional materials, management and other materials that we have created or will create for use in the NerdsToGo System; and training materials such as manuals, handouts, knowledge base, electronic training and other visual aids used during training. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your Location. This information is communicated to you confidentially and is treated as proprietary in the franchise agreement.

We do not have any registered copyrights. 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 regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

At our option, we may defend and/or control the defense of any proceeding arising from your use of any copyrights. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright; however, if you timely notify us and comply with our directions in response to a copyright infringement or challenge that disputes your authorized use of the copyrights, then we will reimburse you for your damages and reasonable expenses. You must sign any documents, and do what may, in our counsel's opinion, be necessary to protect our interests in any litigation or administrative or agency proceeding or to otherwise protect and maintain our interests in the copyrights. You must also agree not to contest our interest in these or our other confidential information.

We have the right to modify or discontinue the use of all materials used in the System (including those covered by copyrights). You are required to comply with our standards for their use as modified.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Operating Manual and related materials that include guidelines, standards and policies for the development and operation of your Location. We also

claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the Location, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

All customer data and other non-public data generated by your Location is confidential information and are exclusively owned by us. We license such data back to you without charge solely for your use in connection with your Location.

The Operating Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). You must treat the Operating Manual and our Systems and any other manuals and any other Systems we create or approve for you to use in operating the Location, and the information contained in them, as confidential. You must also maintain this information as secret and confidential. You must not duplicate, copy, record or otherwise reproduce these materials or make them available to any unauthorized person. The Operating Manual remains our sole property and must be kept in a secure place at the Location. The Operating Manual may also include information maintained at our secure website; access to this information is via password only, you must maintain your password in a secure place. The Operating Manual and materials that contain our confidential information must be returned to us if the franchise agreement is terminated or expires.

We may revise the contents of the Operating Manual and you must comply with each new or changed standard. You will insure that your copies or versions of the Operating Manual are kept current at all times. If there is a dispute as to the contents of the Operating Manual, the terms of the master copy maintained by us at our home office will be controlling.

We work together with you and other franchisees toward constant improvement and adapting to change to remain relevant and competitive in the graphics and visual communications industry. Many of our current processes are a result of franchisee innovation and input.

All ideas, concepts, inventions, techniques, or materials concerning a NerdsToGo business, whether or not protectable intellectual property and whether created by or for you or your principals or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others. You are prohibited, during and after the term of the franchise agreement, from communicating, or using for the benefit of any other person or entity, any confidential information, knowledge or know-how concerning the methods of operating the Location that may be communicated to you or that you may learn about in operating the Location. You can divulge this confidential information only to your general manager or other key management employee and each of your employees who have access to it

to operate your Location. You are prohibited, without first obtaining our written consent, from copying, recording or otherwise reproducing the materials or information or from making them available to any unauthorized person. Any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including the Operating Manual, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, are considered confidential.

You must have your any of your personnel who have received or will have access to confidential information sign similar covenants.

Media: Any videos, and web content provided via mail or other delivery (“Media”) we provide you are also to be treated as confidential information as described above. You are prohibited from copying, sharing on-line resources, or otherwise reproducing or making them available to any unauthorized person in any way. The Media must be returned to us if the franchise agreement is terminated or expires.

Item 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE
FRANCHISE LOCATION

Your Participation

To ensure the site where you operate your Location operates efficiently, you must operate the Location at the times and in the manner described in the Operating Manual. We may change these requirements at any time. The Location must be open during normal business hours (as provided in the Operating Manual), Monday through Friday, (except holidays as provided in the Operating Manual). You may operate the Location on Saturday and Sunday, if you choose to do so.

You are required to participate personally in the direct operation of your Location and must devote full-time and attention to the Location.

If you are the sole owner of the Location, then you are deemed the “Principal Executive”. If the Location is owned through a corporation or limited liability company, you must designate one person as your “Principal Executive”. The Principal Executive is the executive primarily responsible for your Location and has decision-making authority on behalf of the Location. The Principal Executive must own at least 10% of the Location. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the Location must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B).

“On-Premises” Supervision

You are not required to personally conduct “on-premises” supervision (that is, act as general manager) of your Location. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises general manager. The general manager of your Location (whether that is you or a hired person) must successfully complete our training program.

If the franchise Location is owned by an entity, we do not require that the general manager own any equity in the entity.

Restrictions on Your General Manager

If we request, you must have your general manager (and other key employees that we reasonably designate) sign a confidentiality and non-compete agreement. We will not require you to enter into a confidentiality and non-compete agreement that violates applicable state law. We do not require you to place any other restrictions on your general manager.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The premises at which you operate your Location may be used solely for operating the Location. You must refrain from using or permitting the Location premises to be used for any other purpose or activity at any time unless you first obtain our written consent.

To ensure that the highest degree of quality and service is maintained, you must operate the Location in strict conformity with the methods, standards, and specifications that we provide in the Manuals or otherwise in writing. You must sell at the Location all products and services we require and provide the products and services in the manner and style that we specify. You will sell only those products and services that we have expressly approved for sale in writing. You will not deviate from our standards and specifications without our written consent. You will discontinue selling any product or service that we have disapproved in writing at any time on notice. There are no limits on our rights to change the types of products or services you may offer. You may not offer or sell the products or services offered at the Location from any site other than the Location without our written consent. Although not contractually required to do so, we typically review product or service requests within 90 days.

You have sole discretion as to the prices and terms you charge customers for any products and services.

We do not impose any other restrictions, in the franchise agreement or otherwise, as to the goods or services that you may offer or as to the customers to whom you may sell.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§ 3.1	The term of the franchise agreement is 10 years from date of signing.
b. Renewal or extension of the term	§ 3.2	10-year renewal term.
c. Requirements for franchisee to renew or extend	§ 3.2	For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 10-year term. You may be asked to sign a contract with materially different terms and conditions than your original franchise agreement. To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; renovate to our then-current standards; sign then-current form of franchise agreement and related documents (including personal guaranty); sign general release (unless prohibited by applicable law). If you continue operating your Location after the expiration of the term without a renewal agreement, then we may either terminate your operation at any time or deem you to have renewed your agreement for a 10-year term.
d. Termination by franchisor without cause	Not Applicable	

e. Termination by franchisor with cause	§ 14.1	We may terminate your franchise agreement for cause, subject to any applicable notice and cure opportunity.
f. "Cause" defined--curable defaults	§ 14.1	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).

g. "Cause" defined--non-curable defaults	§ 14.1	Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; lose possession of your Location; violation of law; non-compliance with Anti-Terrorism Laws; violation of confidentiality; violation of non-compete; violation of transfer restrictions; violation of System Standards; slander or libel of us; refusal to cooperate with our business inspection; sell any products or services not authorized by us; cease operations for more than 5 consecutive business days; three defaults in 12 months; 3 or more customer complaints in 12 months, cross-termination; charge, plea to, or conviction of a felony; commit or be accused of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured. Limited Services: If you are in default under your franchise agreement and you fail to timely cure it, we may, at our option, rather than terminating your franchise agreement, elect to provide Limited Services to you. Such Limited Services include: 1) Location's web page(s) removed from NerdsToGo.com; 2) no access to Marketing Fund services; 3) removal of you and your employees from the email system; 4) no access to our NerdNet proprietary operations portal; 5) not eligible to attend NerdsToGo events; 6) no access to our on-line training; 7) no access to Location design, layout services and real estate services; 8) ineligible to purchase or open additional NerdsToGo franchises; and 9) Location visits limited to only what is required by the franchise agreement. If you are in default and receiving Limited Services, we may terminate the franchise agreement at any time if you fail to cure the default.
--	--------	---

h. Franchisee's obligations on termination/non-renewal	§§ 14.2 – 14.5	Pay all amounts due; return Operating Manual and proprietary items; notify phone, Internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
i. Assignment of franchise agreement by us	§ 15.1	Unlimited
j. "Transfer" by franchisee - defined	Section 1	For you (or any owner of your Location) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Location, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in your Location, or (iv) control of the Location.
k. Franchisor's approval of transfer by franchisee	§ 15.2	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you have made all payments to us and are in compliance with all contractual requirements; buyer completes training program; you sign a general release (subject to state law); Location complies with then-current system specifications (including remodel, if applicable).
l. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	If you want to transfer your Location (other than to your co-owner, spouse, sibling, or child), we have a right of first refusal.
m. Franchisor's option to purchase franchisee's business	§ 14.6	When your franchise agreement expires or is terminated, we will have the right to purchase any or all of the assets of your Location.

n. Death or disability of franchisee	§§ 2.4, 15.4	If you die or become incapacitated, a new principal executive acceptable to us must be designated to operate the Location, and your executor must transfer the Location to an approved new owner within 9 months.
o. Non-competition covenants during the term of the franchise	§ 13.2	Neither you, any owner of the Location, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.
p. Non-competition covenants after the franchise agreement is terminated or expires	§ 13.2	For 2-years, neither you, any owner of the Location, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by a competitor located within five miles of your former Territory or the Territory of any other NerdsToGo business operating on the date of termination.
q. Modification of the franchise agreement	§ 18.4	No modification or amendment of the franchise agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Operating Manual or system specifications.
r. Integration/merger clause	§ 18.3	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, no claim in made in any franchise agreement is intended to disclaim the express representations made in this Disclosure Document.
s. Dispute resolution by arbitration	§ 17.1	Except for certain claims, all disputes must be arbitrated in Dallas County, Texas. (See Disclosure Document Addendum and State Amendment to franchise agreement.)

t. Choice of forum	§§ 17.1; 17.5	The venue for all proceedings related to or arising out of the franchise agreement is Dallas County, Texas, unless otherwise brought by us. (See Disclosure Document Addendum and State Amendment to franchise agreement.)
u. Choice of law	§ 18.8	The franchise agreement is to be interpreted and construed under Texas law (except for Texas choice of law rules). (See Disclosure Document Addendum and State Amendment to the franchise agreement.)

For additional disclosures required by certain states, refer to Exhibit H - State Addenda to Disclosure Document

Item 18
PUBLIC FIGURES

We do not use any public figure to promote our NerdsToGo business.

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.

Table 1 - Gross Sales – Company Outlet

Year	Gross Sales
2019	\$1,158,709
2020 (8 months)	\$965,571

Table 2 - 2019 Gross Sales -- Franchised Outlets

2019	1st Quartile Reporting Businesses by Revenue	2nd Quartile Reporting Businesses by Revenue	3rd Quartile Reporting Businesses by Revenue	4th Quartile Reporting Businesses by Revenue
# of Reporting Businesses	3	3	3	2
Highest Gross Revenue	\$536,882	\$252,161	\$149,430	\$129,164
Lowest Gross Revenue	\$287,310	\$164,037	\$131,867	\$107,879
Average Gross Revenue	\$374,215	\$206,993	\$140,100	\$118,522
Median Gross Revenue	\$298,454	\$204,781	\$139,002	\$118,522
Total Reporting Businesses	11			

Table 3 - Gross Sales for Franchise Outlets from January 1, 2020 to August 31, 2020

2020 (8 months)	1st Quartile Reporting Businesses by Revenue	2nd Quartile Reporting Businesses by Revenue	3rd Quartile Reporting Businesses by Revenue	4th Quartile Reporting Businesses by Revenue
# of Reporting Businesses	2	2	2	3
Highest Gross Revenue	\$405,447	\$253,329	\$190,046	\$108,886
Lowest Gross Revenue	\$329,341	\$210,694	\$167,233	\$86,506
Average Gross Revenue	\$367,394	\$232,012	\$178,639	\$97,167
Median Gross Revenue	\$367,394	\$232,012	\$178,639	\$96,108
Total Reporting Businesses	9			

Notes:

1. "Gross Sales" means the total dollar amount of all sales generated through your Location for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, or (iii) sale of used equipment not in the ordinary course of business.

2. Table 1 shows the historical financial performance for the company-owned location operated by NTG in Guilford, Connecticut (the "Company Outlet"). 2019 shows the Company Outlet's total Gross Sales in the fiscal year 2019. 2020 shows the Company Outlet's total Gross Sales in the 8 months from January 1, 2020 to August 31, 2020.

3. Table 2 shows the historical financial performance of the 11 franchised NerdsToGo outlets, 1 of which opened January 2019 (collectively, the "Franchised Outlets"). Table 2 excludes Franchised Outlets that temporarily closed or had limited operations with a single employee for parts of 2019, or did not report Gross Sales to us in 2019.

4. Table 3 shows the 2020 historical financial performance of those 9 Franchised Outlets from January 1 to August 31, 2020. Table 3 excludes (i) 2 Franchised Outlets that had been in the second quartile in 2019 that permanently closed in 2020 (ii) 1 Franchised Outlet that temporarily suspended operations and had been in the third quartile in 2019.

Some Franchised Outlets sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

Written substantiation for the financial performance representation in this Item 19 will be made available to you upon reasonable request.

Other than the preceding financial performance representation, GTN Capital Group LLC does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mark Jameson, GTN Capital Group, LLC 2542 Highlander Way, Carrollton, Texas 75006, 214-346-5600, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2017 to 2019

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2017	0	4	+4
	2018	4	15	+11
	2019	15	25	+10
Company-Owned*	2017	1	1	0
	2018	1	1	0
	2019	1	1	0
Total Outlets	2017	1	5	+4
	2018	5	16	+11
	2019	16	26	+10

*The company-owned outlet is operated by our affiliate, NTG, in Guilford, Connecticut. Our affiliate opened a customer support center in a separate location in September 2017, which accepted a small amount of walk-in business that was handled out of the company-owned outlet. This business was closed in 2019. We do not consider that business be a separate NerdsToGo outlet.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2017 to 2019

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Texas	2017	0
	2018	1
	2019	1
Total	2017	0
	2018	1
	2019	1

Table 3
Status of Franchised Outlets
For Fiscal Years 2017 to 2019

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Alabama	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Colorado	2017	0	1	0	0	0	0	1
	2018	0	1	0	0	0	1	0
	2019	0	1	0	0	0	0	1
Florida	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
Indiana	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Iowa	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Massachusetts	2017	0	1	0	0	0	0	1
	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Nevada	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
New Hampshire	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
New Jersey	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1

North Carolina	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Oregon	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Pennsylvania	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Texas	2017	0	2	0	0	0	1	1
	2018	1	5	0	0	0	0	6
	2019	6	2	0	0	0	0	8
Virginia	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Washington	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Totals	2017	0	5	0	0	0	1	4
	2018	4	12	0	0	0	1	15
	2019	15	10	0	0	0	0	25

Table 4
Status of Company-Owned Outlets
For Fiscal Years 2017 to 2019

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Connecticut	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
Totals	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1

Table 5
Projected Openings as Of December 31, 2019

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year
Arizona	0	2	0
California	2	2	0
Colorado	0	2	0
Georgia	0	2	0
Florida	0	1	0
Kentucky	1	0	0
Illinois	0	1	0
North Carolina	0	1	0
Pennsylvania	0	1	0
Tennessee	1	0	0
Texas	0	4	0
Totals	4	16	0

Current Franchisees

Exhibit G contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

Exhibit G contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the fiscal year ending December 31, 2019, or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

Confidentiality Clauses

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with NerdsToGo. 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.

Franchisee Organizations

There is no trademark-specific franchisee organizations associated with our franchise system.

Item 21
FINANCIAL STATEMENTS

The financial statements listed below are attached to this Disclosure Document as Exhibit “E”:

1. Audited balance sheet for FASTSIGNS International, Inc. as of December 31, 2019 and 2018 and related statements of income, changes in shareholder’s equity and cash flows for the years then ended.
2. Audited balance sheet for FASTSIGNS International, Inc. as of December 31, 2018 and December 31, 2017 and related statements of income, changes in shareholder’s equity and cash flows for the years then ended.
3. Unaudited Balance Sheet and Statement of Income for FASTSIGNS International, Inc. for the period ending October 31, 2020.

FASTSIGNS International, Inc. absolutely and unconditionally guarantees the performance of all the obligations of GTN Capital Group, LLC under any fully-executed franchise agreement and related agreements referred to in this Disclosure Document.

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Rider to Lease Agreement
- D. Form of General Release
- H. State Addenda to Franchise Agreement

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Department of Financial Protection and Innovation 320 West 4 th Street Suite 750 Los Angeles, CA 90013-2344 866-275-2677	Department of Financial Protection and Innovation 320 West 4 th Street Suite 750 Los Angeles, CA 90013-2344 866-275-2677
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, HI 96813 (808) 586-2722
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62701 (217) 782-4465	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62701 (217) 782-4465
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
Michigan	Unit Office of Attorney General Consumer Protection Division Antitrust and Franchise G. Mennen Williams Bldg., 1 st Floor 525 W. Ottawa Street Lansing, MI 48913 (517) 373-7117	Michigan Department of the Attorney General G. Mennen Williams Bldg., 1 st Floor 525 W. Ottawa Street Lansing, MI 48913 (517) 373-7117

Minnesota	Minnesota Department of Commerce Franchise Division 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Bureau Of Investor Protection & Securities 28 Liberty Street New York, NY 10005 212-416-8236	New York State Department of State Division of Corporations Second Floor 41 State Street Albany, NY 11231
North Dakota	Office of Securities Commission Franchise Division State Capitol – 5 th Floor 600 East Boulevard Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner State of North Dakota State Capitol – 5 th Floor 600 East Boulevard Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue Building 69-1 Cranston, RI 02920-4407 (401) 462-9527	Director of the Department of Business Regulation 1511 Pontiac Avenue Building 69-1 Cranston, RI 02920-4407 (401) 462-9527
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563
Virginia	State Corporation Commission Tyler Building 1300 E. Main Street Richmond, VA 23219-3630 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 9 th Floor Richmond, VA 23219-3630 (804) 371-9733
Washington	Department of Financial Institutions Securities Division 150 Israel Road SW – 3 rd Floor Tumwater, WA 98501 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW, 3 rd Floor Tumwater, WA 98501 (360) 902-8760
Wisconsin	Office of the Commissioner of Securities Department of Financial Institutions 201 West Washington Ave. Madison, WI 53703 (608) 266-0448	Commissioner of Securities 201 W. Washington Ave. Madison, WI 53703 (608) 261-7577

EXHIBIT B
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE

- | | |
|--------------------------------|--|
| 1. Franchisee | _____ |
| 2. Business Model | _____ Executive Office Model
_____ Local Service Center Model |
| 3. Territory | _____ |
| 4. Opening Deadline | 180 days after Effective Date |
| 5. Principal Executive | _____ |
| 6. Franchisee's Address | _____ |

TABLE OF CONTENTS

Section 1.	DEFINITIONS.....	1
Section 2.	GRANT OF LICENSE	3
2.1	GRANT.....	3
2.2	PROTECTED PROPERTY.....	3
2.3	FRANCHISEE CONTROL.....	5
2.4	GUARANTY.....	5
2.5	NO CONFLICT.....	5
Section 3.	TERM	5
3.1	TERM.....	5
3.2	YOUR RIGHT TO ACQUIRE A RENEWAL FRANCHISE.....	5
Section 4.	FEES	6
4.1	INITIAL FRANCHISE FEE.....	6
4.2	ROYALTY FEE.....	6
4.3	TECHNOLOGY FEE.....	6
4.4	MARKETING FUND CONTRIBUTIONS.....	6
4.5	REPLACEMENT/ADDITIONAL TRAINING FEE.....	7
4.6	NON-COMPLIANCE FEE.....	7
4.7	REIMBURSEMENT.....	7
4.8	PAYMENT TERMS.....	7
Section 5.	ASSISTANCE	8
5.1	MANUAL.....	8
5.2	ASSISTANCE IN HIRING EMPLOYEES.....	8
5.3	ASSISTANCE IN TRAINING EMPLOYEES.....	8
5.4	PRE-OPENING ASSISTANCE.....	8
5.5	POST-OPENING ASSISTANCE.....	9
Section 6.	LOCATION, DEVELOPMENT, AND OPENING	9
6.1	DETERMINING LOCATION AND TERRITORY.....	9
6.2	LEASE.....	10
6.3	DEVELOPMENT.....	11

6.4	NEW FRANCHISEE TRAINING.	11
6.5	CONDITIONS TO OPENING.	11
6.6	OPENING DATE.	12
Section 7.	OPERATIONS.....	12
7.1	COMPLIANCE WITH MANUAL AND SYSTEM STANDARDS.	12
7.2	COMPLIANCE WITH LAW AND GOOD BUSINESS PRACTICES.	12
7.3	OFFERINGS AND SERVICES.	12
7.4	PRICES.	12
7.5	PERSONNEL.	13
7.6	POST-OPENING TRAINING.....	13
7.7	SOFTWARE.	14
7.8	CUSTOMER COMPLAINTS.	14
7.9	EVALUATION AND COMPLIANCE PROGRAMS.....	14
7.10	PAYMENT SYSTEMS.	15
7.11	GIFT CARDS, LOYALTY PROGRAMS, AND INCENTIVE PROGRAMS.....	15
7.12	MAINTENANCE AND REPAIR.	15
7.13	REMODELING.	15
7.14	VEHICLES.	15
7.15	INSURANCE.....	15
7.16	OBLIGATIONS TO THIRD PARTIES.....	16
7.17	PUBLIC RELATIONS.	16
7.18	NO OTHER ACTIVITY ASSOCIATED WITH THE LOCATION.	16
7.19	NO THIRD PARTY MANAGEMENT.....	16
7.20	MEETINGS.	16
7.21	INDEPENDENT CONTRACTOR.....	17
Section 8.	SUPPLIERS AND VENDORS	17
8.1	GENERALLY.....	17
8.2	ALTERNATE VENDOR APPROVAL.	17
8.3	ALTERNATE INPUT APPROVAL.	18
8.4	PURCHASING.	18
8.5	NO LIABILITY OF FRANCHISOR.....	18
8.6	PRODUCT RECALLS.	18
Section 9.	MARKETING.....	18

9.1	APPROVAL AND IMPLEMENTATION.....	18
9.2	SOCIAL MEDIA.....	18
9.3	USE BY GTN.....	19
9.4	MARKETING FUND.....	19
9.5	REQUIRED SPENDING.....	20
9.6	MARKET INTRODUCTION PLAN.....	20
Section 10.	RECORDS AND REPORTS.....	21
10.1	SYSTEMS.....	21
10.2	REPORTS.....	21
10.3	INITIAL INVESTMENT REPORT.....	22
10.4	BUSINESS RECORDS.....	22
10.5	RECORDS AUDIT.....	23
Section 11.	FRANCHISOR RIGHTS.....	23
11.1	MANUAL; MODIFICATION.....	23
11.2	INSPECTIONS.....	23
11.3	GTN’S RIGHT TO CURE.....	24
11.4	RIGHT TO DISCONTINUE SUPPLIES UPON DEFAULT.....	24
11.5	DELEGATION.....	24
11.6	COMMUNICATION SYSTEMS.....	24
11.7	COMMUNICATION WITH EMPLOYEES.....	24
11.8	COMMUNICATIONS WITH LANDLORD AND LENDERS.....	24
11.9	SYSTEM VARIATIONS.....	24
11.10	BUSINESS DATA.....	24
Section 12.	MARKS.....	25
12.1	AUTHORIZED MARKS.....	25
12.2	CHANGE OF MARKS.....	25
12.3	INFRINGEMENT.....	25
12.4	NAME.....	26
Section 13.	COVENANTS.....	26
13.1	CONFIDENTIAL INFORMATION.....	26
13.2	CONVENANTS NOT TO COMPETE.....	28
Section 14.	DEFAULT AND TERMINATION.....	29
14.1	TERMINATION BY GTN.....	29

14.2	INTERIM REMEDIES	31
14.3	EFFECT OF TERMINATION.	32
14.4	REMOVE IDENTIFICATION.....	33
14.5	OTHER CLAIMS.	33
14.6	PURCHASE OPTION.	33
Section 15.	TRANSFERS.....	34
15.1	BY GTN.....	34
15.2	BY FRANCHISEE.	34
15.3	TRANSFER FOR CONVENIENCE OF OWNERSHIP.	36
15.4	TRANSFER UPON DEATH OR INCAPACITY.....	36
15.5	GTN’S RIGHT OF FIRST REFUSAL.....	36
15.6	NO SUBLICENSE.....	36
15.7	NO LIEN ON AGREEMENT.	36
Section 16.	INDEMNITY	37
16.1	INDEMNITY.....	37
Section 17.	DISPUTE RESOLUTION	38
17.1	ARBITRATION.	38
17.2	WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.....	39
17.3	WAIVER OF CLASS ACTIONS.....	40
17.4	TIME LIMITATION.	40
17.5	VENUE OTHER THAN ARBITRATION.	40
17.6	LEGAL COSTS.....	40
Section 18.	MISCELLANEOUS	40
18.1	NO LIABILITY FOR ACTS OF OTHER PARTIES.	40
18.2	ENTIRE AGREEMENT.....	41
18.3	MODIFICATION.	42
18.4	CONSENT WAIVER.	42
18.5	CUMULATIVE REMEDIES.	42
18.6	SEVERABILITY	43
18.7	GOVERNING LAW.....	43
18.8	NOTICES.....	43
18.9	HOLDOVER.....	44
18.10	JOINT AND SEVERAL LIABILITY.	44

18.11 NO OFFER AND ACCEPTANCE.....	44
Section 19. COMPLIANCE WITH ANTI-TERRORISM LAWS.....	44
Section 20. LIMITED LIABILITY	45
Section 21. CERTIFICATION OF FRANCHISOR’S COMPLIANCE	45

Attachment 1 OWNERSHIP INFORMATION

Attachment 2 TERRITORY

Attachment 3 ELECTRONIC FUNDS TRANSFER

Attachment 4 GUARANTY AND NON-COMPETE AGREEMENT

FRANCHISE AGREEMENT

This Agreement is made between GTN Capital Group LLC, a Connecticut limited liability company ("GTN"), and Franchisee effective as of the date signed by GTN (the "Effective Date").

Background Statement:

A. GTN and its affiliate Nerds To Go, Inc. have created and own a system (the "System") for developing and operating a technology repair and service business under the trade name "NerdsToGo".

B. The System includes (1) methods, procedures, and standards for developing and operating a NerdsToGo business, (2) plans, specifications, equipment, signage and trade dress for NerdsToGo franchises, (3) particular products and services, (4) the Marks, (5) training programs, (6) business knowledge, (7) marketing plans and concepts, and (8) other mandatory or optional elements as determined by GTN from time to time.

C. The parties desire that GTN license the Marks and the System to Franchisee for Franchisee to develop and operate a NerdsToGo business on the terms and conditions of this Agreement.

Section 1. DEFINITIONS

"Action" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

"Approved Vendor" means a supplier, vendor, or distributor of Inputs which has been approved by GTN.

"Competitor" means any business offering computer and technology repair or service.

"Confidential Information" means all non-public information of or about the System, GTN, and any NerdsToGo business, including all methods for developing and operating the Location, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

"Gross Product Sales" means all Gross Sales of physical products by Franchisee.

"Gross Service/Software Sales" means all Gross Sales of services or software by Franchisee, and includes all sales which are not categorized as Gross Product Sales. GTN has sole discretion to determine whether any sale (or any portion of a sale) is categorized as a gross service/Software Sale or a Gross Product Sale.

“Gross Sales” means the total dollar amount of all sales generated through the Location for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, or (iii) sales of used equipment not in the ordinary course of business.

“Input” means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Location.

“Location” means the NerdsToGo location owned by Franchisee and operated under this Agreement.

“Territory” means the location of Franchisee’s Local Service Center Model or Executive Office Model (as applicable) as stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Subsection 6.1.

“Losses” includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of GTN’s reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

“Manual” means GTN’s confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

“Marketing Fund” means the fund established by GTN into which Marketing Fund Contributions are deposited.

“Marks” means the trade name and logo contained on the Summary Page, and all other trade names, Marks, service marks and logos specified by GTN from time to time for use in a NerdsToGo business.

“Owner” means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then “Owner” means Franchisee.

“Remodel” means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, décor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new NerdsToGo business.

“Required Vendor” means a supplier, vendor, or distributor of Inputs which GTN requires franchisees to use.

“System Standards” means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by GTN, which may include without

limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, data protection and privacy, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating days and hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and Internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

“**Territory**” means the Territory of Franchisee’s Local Service Center Model or Executive Office Model (as applicable) as stated on Attachment 2.

“**Transfer**” means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Location, (ii) this Agreement, (iii) any direct or indirect ownership interest in Franchisee; or (iv) control of the Location.

Section 2. GRANT OF LICENSE

2.1 GRANT. Franchisee has applied for a franchise to license and operate a NerdsToGo franchise at the site identified on Attachment “2”. Subject to this Agreement’s terms, GTN grants Franchisee a NerdsToGo franchise to operate at the Location, and to use the System in its operation, for a Term beginning on the Effective Date and expiring ten (10) years from that date, unless sooner terminated as provided herein. Franchisee may use the Location only for the NerdsToGo franchise. Franchisee agrees at all times to faithfully, honestly, and diligently perform Franchisee’s obligations under this Agreement and to use Franchisee’s best efforts to promote the Location.

There are no restrictions in this Agreement that prevent Franchisee from soliciting business outside of Franchisee’s Territory, but Franchisee does not have the right to use other channels of distribution to make sales outside of Franchisee’s Territory. There are also no restrictions that prohibit Franchisor or any other franchisee from soliciting business within Franchisee’s Territory. Franchisee should focus on soliciting business in Franchisee’s Territory.

2.2 PROTECTED PROPERTY. After Franchisee selects an approved site and GTN designates it as the Location, GTN will designate and describe Franchisee’s Territory in Attachment “2”. The size of the Territory shall be determined in our sole discretion. The Territory encompasses an area sufficient to include a count of a minimum of one hundred thousand (100,000) people. GTN may re-determine the size of Franchisee’s Territory if there is an increase of least ten percent (10%) in the people count in the Territory and locate another NerdsToGo franchise in Franchisee’s former Territory. Franchisee’s remaining Territory will contain at least one hundred thousand (100,000) people businesses.

- (a) Exclusivity. Except as expressly limited by Subsection 2.2 above, GTN and its affiliates retain all rights with respect to NerdsToGo franchises, the Marks, the

sale of similar or dissimilar products and services, and any other activities that GTN deems appropriate. Specifically, but without limitation, GTN reserves the following rights: (i) the right to operate, or franchise others to operate, similar or competitive businesses located inside or outside the Territory under trademarks or service marks other than the Marks;

(ii) serve (or authorize other franchisees to serve) customers in the Territory if Franchisee is in default;

(iii) serve (or authorize other franchisees to serve) a particular customer in the Territory (A) if Franchisee is not available to service the call within the time requirements we specify, (B) if the customer makes a special request which GTN elects to honor, (C) GTN determines it necessary based on the experience and skills necessary to perform the requested services, or (D) the customer is a national account or regional account customer and Franchisee is not participating in the account program for the customer.

(iv) the right to operate, or franchise others to operate, other dissimilar businesses located inside or outside the Territory under trademarks or service marks other than the Marks;

(v) the right to sell products or services anywhere that are similar to those sold by NerdsToGo franchises, but under trademarks or service marks other than the Marks;

(vi) the right to sell products and services anywhere that are similar to those sold by NerdsToGo franchisees, which products and services are sold under the Marks but through dissimilar distribution channels (including without limitation via the, general or specialty retailers, the Internet or other electronic media);

(vii) the right to sell products and services anywhere that are dissimilar from those sold by NerdsToGo franchises, but under the Marks or any other trademarks or service marks;;

(ix) the right to operate, and to grant others the right to operate NerdsToGo franchises located anywhere outside the Territory;

(x) the right to acquire the assets or ownership interests of one (1) or more businesses providing products and services similar to those provided at NerdsToGo franchises, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and

(xi) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at NerdsToGo

franchises, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Territory.

2.3 FRANCHISEE CONTROL. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each Owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify GTN within ten (10) days.

Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Location and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least ten percent (10%) ownership interest in Franchisee. The Principal Executive must devote full-time and attention to the Location. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Location, Franchisee shall promptly designate a new Principal Executive, subject to GTN's reasonable approval.

2.4 GUARANTY. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to GTN, in the form of Attachment 4.

2.5 NO CONFLICT. Franchisee represents to GTN that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, and (ii) are not a direct or indirect Owner of any Competitor.

Section 3. TERM

3.1 TERM. This Agreement commences on the Effective Date and continues for ten (10) years.

3.2 YOUR RIGHT TO ACQUIRE A RENEWAL FRANCHISE.

If Franchisee meets certain conditions, then Franchisee will have the option to acquire one (1) renewal Term. The renewal Term will be ten (10) years. The qualifications and conditions for the renewal Term are described below.

When this Agreement expires:

- (i) Franchisee notifies GTN of the election to renew no more than three hundred sixty-five (365) days and no less than two hundred forty (240) days prior to the end of the Term;
- (ii) Franchisee (and its affiliates) is in compliance with this Agreement and all other agreements with GTN (or any of its affiliates) at the time of election and at the time of renewal;
- (iii) Franchisee has made or agrees to make (within a period of time acceptable to GTN) renovations and changes to the Location as GTN requires (including a

Remodel of a Local Service Center Model, if applicable) to conform to the then-current System Standards;

- (iv) Franchisee and its Owners execute GTN's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), provided in lieu of the initial franchise fee, Franchisee will pay a renewal fee in an amount equal to no more than fifteen percent (15%) of the initial franchise fee being charged to new franchisees under the NerdsToGo System and will not receive more renewal terms than described in this Subsection; and
- (v) Franchisee and each Owner executes a general release (on GTN's then-standard form) of any and all claims against GTN, its affiliates, and their respective Owners, officers, directors, agents and employees.

Section 4. FEES

4.1 INITIAL FRANCHISE FEE. Upon signing this Agreement, Franchisee shall pay GTN a nonrecurring and non-refundable initial franchise fee in the amount of _____ dollars (\$_____). This initial franchise fee is due, and fully earned by GTN when Franchisee signs this Agreement.

4.2 ROYALTY FEE. Franchisee shall report monthly Gross Sales of the Location to GTN by fifth (5th) day of the following month. During Franchisee's first twelve (12) months that the Location is open, Franchisee shall pay GTN a monthly fee (the "Royalty Fee") of eight percent (8%) of Gross Service/Software Sales and two percent (2%) of Gross Product Sales. Beginning the thirteenth (13th) month through the end of the Term of the Agreement, Franchisee shall pay GTN a monthly Royalty Fee equal to the greater of one thousand dollars (\$1,000) or eight percent (8%) of Gross Service/Software Sales and two percent (2%) of Gross Product Sales. The Royalty Fee for any given month is due to GTN immediately after the royalty report is submitted to GTN.

4.3 TECHNOLOGY FEE. Franchisee shall pay GTN a monthly fee of one hundred seventy-five dollars (\$175) (the "Technology Fee") due on the fifth (5th) day of the month for use of GTN's backend system known as "NerdNet". As of the date of this Agreement, the Technology Fee includes four (4) email addresses, one license for service management software, and one license for customer relationship management software. GTN reserves the right to modify NerdNet and its functionality at any time, in GTN's sole discretion. GTN may increase the Technology Fee in its reasonable discretion. GTN will provide Franchisee with one hundred eighty (180) days' prior notice of GTN's decision to increase the Technology fee. GTN may charge extra for additional email addresses and licenses.

4.4 MARKETING FUND CONTRIBUTIONS. Franchisee shall pay GTN a contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to two percent (2%) of Franchisee's Gross Sales of the Location (or such lesser amount as GTN determines), at the same time and manner as the Royalty Fee described in Subsection 4.2 above.

4.5 REPLACEMENT/ADDITIONAL TRAINING FEE. If Franchisee sends an employee to GTN's training program after opening, or if in GTN's judgment any trainee fails to successfully complete any part of the training program the trainee must repeat that portion of the training program until successful completion of all portions, at Franchisee's expense. Franchisee is responsible for arranging and paying the expenses for transportation, meals and lodging while attending the training program. GTN may charge its then-current training fee. As of the date of this Agreement, the training fee is six hundred dollars (\$600) per person per day.

4.6 NON-COMPLIANCE FEE. GTN may charge Franchisee one thousand dollars (\$1,000) for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to GTN). If such non-compliance is ongoing, GTN may charge Franchisee two hundred fifty (\$250) per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of GTN's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of GTN's other rights and remedies (including default and termination under Subsection 14.1).

4.7 REIMBURSEMENT. GTN may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If GTN does so or intends to do so, Franchisee shall pay such amount plus a ten percent (10%) administrative charge to GTN within fifteen (15) days after invoice by GTN accompanied by reasonable documentation.

4.8 PAYMENT TERMS.

(a) Method of Payment. Before the Location opens, Franchisee agrees to sign and deliver to GTN the documents GTN requires (including Attachment "3") to authorize GTN to debit Franchisee's checking account for the Location automatically for the Royalty Fee, Nerd Net Fee, Marketing Fund Contribution, and any other amounts due under this Agreement and for Franchisee's purchases from GTN, and GTN's affiliates (the "Electronic Funds Transfer Account" or "EFTA"). GTN will debit the EFTA for these amounts on their due dates. Franchisee agrees to ensure that funds are available in the EFTA to cover GTN's withdrawals.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales of the Location to GTN by fifth (5th) day of the following month. If Franchisee fails to report monthly Gross Sales on-time, then a) GTN may charge two hundred fifty dollars (\$250) per week until the report is made, and b) GTN may withdraw estimated Royalty Fees and Marketing Fund Contributions equal to greater of (i) one thousand dollars (\$1,000) or (ii) one hundred twenty-five percent (125%) of the last Gross Sales reported to GTN, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that GTN has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on-time, Franchisee shall pay a two hundred fifty dollars (\$250) "late fee". All amounts which Franchisee owes GTN for any reason, will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. GTN may debit Franchisee's bank account for the Location automatically for late fees and interest. Franchisee acknowledge that this Subsection is not GTN's agreement to

accept any payments after they are due or GTN's commitment to extend credit to, or otherwise finance Franchisee's operation of the Location.

(d) Insufficient Funds.

If there are insufficient funds in the EFTA to cover any such amount owed (or, if Franchisee is paying by check and a check is returned for insufficient funds), Franchisee stops payment on the EFTA (or check), closes the EFTA, or requests GTN not to process the EFTA. GTN will charge Franchisee a processing fee as prescribed in the Manual per withdrawal or amount to compensate GTN for GTN's additional administrative expenses. This amount is currently one hundred dollars (\$100), but is subject to change. GTN may require Franchisee to pay any amounts due under this Agreement or otherwise by means other than automatic debit (e.g., by check) whenever GTN deems appropriate, and Franchisee agrees to comply with GTN's payment instructions.

(e) Costs of Collection. Franchisee shall repay any costs incurred by GTN (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. GTN may apply any payment received from Franchisee to any obligation and in any order as GTN may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to GTN any fees or amounts described in this Agreement are not dependent on GTN's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

Section 5. ASSISTANCE

5.1 MANUAL. GTN shall make its Manual available to Franchisee.

5.2 ASSISTANCE IN HIRING EMPLOYEES. GTN shall provide its minimum staffing levels to Franchisee. GTN shall provide suggested guidelines for hiring employees. All hiring decisions and conditions of employment are Franchisee's sole responsibility.

5.3 ASSISTANCE IN TRAINING EMPLOYEES. GTN shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of new employees.

5.4 PRE-OPENING ASSISTANCE.

(a) Selecting a Location. GTN shall provide its site selection criteria for NerdsToGo locations to Franchisee. GTN will review and advise Franchisee regarding potential sites submitted by Franchisee.

(b) Pre-Opening Plans, Specifications, and Vendors. Within a reasonable period of time after the Effective Date, GTN shall provide Franchisee with (i) GTN's sample set of standard building plans and specifications and/or standard recommended floor plans; (ii) the applicable System Standards, (iii) other specifications as GTN deems appropriate (which may

include specifications regarding inventory, supplies, materials, and other matters), and (iv) GTN's lists of Approved Vendors and/or Required Vendors.

(c) Business Plan Review. If requested by Franchisee, GTN shall review and advise Franchisee on Franchisee's pre-opening business plan and financial projections. Franchisee acknowledges that GTN accepts no responsibility for the performance of the Location.

(d) Pre-Opening Training. GTN shall make available its standard pre-opening training to the Principal Executive and up to three other employees, at GTN's headquarters and/or at a NerdsToGo franchise designated by GTN. GTN shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. GTN reserves the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program. GTN reserves the right to convert certain content or all of the content of the traditional classroom training of the initial training program to live instructor led virtual training.

(e) Market Introduction Plan. GTN shall advise Franchisee regarding the planning and execution of Franchisee's market introduction plan.

5.5 POST-OPENING ASSISTANCE.

(a) Advice, Consulting, and Support. If Franchisee requests, GTN will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's Location, and resolving operating problems Franchisee encounters, to the extent GTN deems reasonable. If GTN provides in-person support in response to Franchisee's request, GTN may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing on-site support).

(b) Pricing. Upon request, GTN will provide recommended prices for products and services offered by franchisees of the NerdsToGo System.

(c) Procedures. GTN will provide Franchisee with GTN's recommended administrative, bookkeeping, accounting, and inventory control procedures. GTN may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. GTN shall manage the Marketing Fund.

(e) Internet. GTN shall maintain a website for NerdsToGo, which will include Franchisee's Location (or Territory).

Section 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 DETERMINING LOCATION AND TERRITORY. If the Location is not stated on the Summary Page, then Franchisee shall find a potential Location for its Local Service Center Model or Executive Office Model (as applicable) within the Territory described on the Summary Page. Franchisee agrees to obtain GTN's written approval of the Location's proposed site before signing any lease, sublease, or other document for the site. GTN will use reasonable efforts to help analyze Franchisee's market area, to help determine site feasibility, and to assist in

designating the site, although GTN will not conduct site selection activities for Franchisee. GTN will not unreasonably withhold GTN's approval of a site that meets GTN's criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; other commercial characteristics; visibility and the proposed site's size, appearance, and other physical characteristics.

At GTN's discretion, GTN will select a local broker to assist Franchisee in locating potential sites that satisfy GTN's criteria. Franchisee agrees to send GTN a description of the proposed sites within twelve (12) weeks after the Effective Date of this Agreement, including a summary of the items listed above or other evidence confirming Franchisee's favorable prospects for obtaining each of the proposed sites. Upon GTN's approval of a site, and after Franchisee secures the site, GTN will insert its address into **Attachment "2"** and it will be the Location. Franchisee may operate the Location only at the designated site.

Franchisee acknowledges and agrees that, if GTN recommends or gives Franchisee information regarding a site for the Location, that it is not a representation or warranty of any kind, express or implied, of the Location's success for a NerdsToGo franchise or any other purpose. GTN's recommendation indicates only that GTN believes that the site meets GTN's then acceptable criteria.

6.2 LEASE. If the Location is a Local Service Center Model, Franchisee must sign a lease or sublease for the Premises (the "**Lease**") within sixteen (16) weeks after the Effective Date of this Agreement. GTN has the right to approve the terms of the Lease before Franchisee signs it. The Lease must be in a form acceptable to GTN and must contain certain required terms and provisions (although GTN will not directly negotiate Franchisee's Lease or provide legal advice regarding Franchisee's Lease), including, but not limited to those listed in a Rider to the lease in the form required by GTN.

Franchisee acknowledges that GTN's approval of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a NerdsToGo franchise operated at the Location. GTN's approval indicates only that GTN believes that the site and the Lease's terms meet GTN's then acceptable criteria. Franchisee must deliver to GTN a signed copy of the Lease within ten (10) days after its execution.

If the Lease expires or is terminated without Franchisee's fault, or if the site for the Location is destroyed, condemned, or otherwise rendered unusable, GTN will allow Franchisee to relocate the Location to a new site acceptable to GTN. Any relocation will be at Franchisee's sole expense, and GTN may charge Franchisee for the reasonable costs GTN incurs, plus a reasonable fee (as set forth in the Manual) for GTN's services, in connection with any relocation of the Location. Any relocation will be subject to the provisions of this Subsection 6.2.

Franchisee is not permitted to operate the Location under a month-to-month lease without GTN's prior written approval. If Franchisee is purchasing the site for the Location, Franchisee must submit the contract of sale to GTN for approval prior to Franchisee signing it and Franchisee must deliver to GTN a signed copy of the contract of sale within ten (10) days after execution.

6.3 DEVELOPMENT. Franchisee shall construct (or Remodel) and finish the Location in conformity with GTN's System Standards (including all System Standards for store layout and design). If required by GTN, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not begin any construction or remodeling work without first obtaining GTN's approval of Franchisee's plans. GTN may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by GTN or its representatives regarding any architectural, engineering, Title 24 or legal matters (including without limitation the Americans with Disabilities Act) in the development and construction of the Location, and GTN assumes no liability with respect thereto. GTN's inspection and/or approval to open the Location are not a representation or a warranty that the Location has been constructed in accordance with any architectural, engineering or legal standards.

6.4 NEW FRANCHISEE TRAINING. Franchisee's Principal Executive, one (1) Nerd technician and one (1) customer specialist must complete GTN's training program for new franchisees to GTN's satisfaction at least four (4) weeks before opening the Location.

6.5 CONDITIONS TO OPENING.

Franchisee agrees not to open the Location until:

GTN notifies Franchisee in writing that the Location meets GTN's standards and specifications (although GTN's acceptance is not a representation or warranty, express or implied, that the Location complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of GTN's right to require continuing compliance with GTN requirements, standards, or policies);

Franchisee's required attendees satisfactorily complete training as described in Subsection 6.4 of this Agreement;

- 1) Franchisee pays the initial franchise fee and other amounts then due to GTN;
- 2) Franchisee pays for the equipment, furniture and fixtures package then due to GTN;
and
- 3) Franchisee gives GTN certificates for all required insurance policies.

Subject to Franchisee's compliance with these conditions, Franchisee agrees to open the Location within three hundred sixty-five (365) days after the Effective Date. Franchisee agrees to operate and supervise the Location and devote Franchisee's full-time, best efforts and constant personal attention to the day-to-day operations of the Location.

If Franchisee fails to sign a Lease for the Location within one sixteen (16) weeks after the Effective Date or if Franchisee fails to open the Location within three hundred sixty-five (365) days after the Effective Date, GTN has the right to terminate this Agreement (see 14.1).

6.6 OPENING DATE. Franchisee shall open the Location to the public on or before the date stated on the Summary Page.

Section 7. OPERATIONS

7.1 COMPLIANCE WITH MANUAL AND SYSTEM STANDARDS. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards.

7.2 COMPLIANCE WITH LAW AND GOOD BUSINESS PRACTICES. Franchisee will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Location and operate the Location in full compliance with all applicable laws, ordinances and regulations, including, without limitation, government regulations relating to wage and hour laws, the Equal Employment Opportunity Commission, the National Labor Relations Act, the Fair Labor Standards Act, Family and Medical Leave Act, occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. Franchisee is solely responsible for the safety and well-being of Franchisee's employees and the customers of the Location. It is Franchisee's responsibility to make sure that Franchisee is in compliance with all laws that are applicable to the Location's management system or other technology used in the operation of the Location, including data protection or security laws as well as PCI compliance. All advertising and promotion by Franchisee must be completely factual and must conform to the highest standards of ethical advertising. The Location must in all dealings with its customers, suppliers, GTN and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees to refrain from any business or advertising practices which may be injurious to GTN's business and the goodwill associated with the Marks and other NerdsToGo franchises. Franchisee must notify GTN in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect Franchisee's operation or financial condition or that of the Location and of any notice of violation of any law, ordinance, or regulation relating to the Location.

7.3 OFFERINGS AND SERVICES. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by GTN in the Manual or otherwise in writing. Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that GTN may require. Franchisee shall perform all services in the manner prescribed by GTN. Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards.

7.4 PRICES. GTN may require Franchisee to offer products and services at specific prices determined by GTN if GTN is promoting such products and services on a national, regional, or local market basis, for the duration of the promotion (but only to the extent permitted by applicable law).

7.5 PERSONNEL.

(a) Management. The Location must at all times be under the on-site supervision of the Principal Executive or a general manager who has completed GTN's training program.

(b) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(c) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(d) Qualifications. GTN may set minimum qualifications for categories of employees employed by Franchisee.

(e) Background Checks. Franchisee must obtain background checks on all employees as further described in applicable System Standards.

(f) Drivers. Franchisee shall ensure that any employee who drives a vehicle for the Location is properly licensed and meets all System Standards applicable to drivers.

(g) Staffing. Franchisee must all times employ:

(i) Owner. One (1) Owner engaged full-time in management, operations, and sale/business development;

(ii) Nerd Technician. At least one (1) person (other than an Owner) as a full-time Nerd technician; and

(iii) Customer Specialist. At least one (1) person (other than an Owner) as a full-time Customer Specialist to answer phone calls, dispatch Nerd technicians, interact with customers, and support business development activities such as scheduling or other outbound support.

(h) Sales Representative. Franchisee must engage a full-time sales representative by Franchisee's twelfth (12th) month of operation.

7.6 POST-OPENING TRAINING. GTN may at any time require that the Principal Executive attend and complete satisfactorily various training courses that GTN periodically chooses to provide at the times and locations GTN designate. At Franchisee's option and expense, Franchisee may send previously trained and experienced employees to these training courses. GTN may charge reasonable registration or similar fees for these courses to defray costs. Besides attending these courses, Franchisee agrees to attend a designated franchise convention of all NerdsToGo franchisees at a location GTN designates at least once in every three (3) year period. Franchisee agrees to pay all registration fees, charges and costs to attend. In addition, Franchisee agree to pay all travel and living expenses which Franchisee and Franchisee's employees incur during all training courses and programs.

Franchisee understands and agree that any specific ongoing training or advice GTN provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which GTN may discontinue and modify from time to time.

7.7 SOFTWARE. Without limiting the generality of Subsection 7.1 or Subsection 8.1, Franchisee shall obtain and use computer hardware and/or operating software GTN specifies from time to time (the “Computer System”). Franchisee shall enter into any subscription and support agreements that GTN may require. Franchisor may modify specifications for and components of the Computer System. Franchisee also agrees to use the email system and address GTN specifies. GTN may modify specifications for and components of the Computer System. GTN’s modification of specifications for the Computer System, and/or other technological developments or events, might require Franchisee to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Although GTN cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement’s remaining Term, Franchisee agrees to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. GTN has no obligation to reimburse you for any Computer System costs. Within ninety (90) days after Franchisee receives notice from GTN, Franchisee agrees to obtain the Computer System components that GTN designates and to ensure that Franchisee’s Computer System, as modified, is functioning properly.

Despite the fact that Franchisee agrees to buy, use, and maintain the Computer System according to GTN’s standards and specifications, Franchisee will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which Franchisee’s Computer System interfaces with GTN’s and any third party’s computer system; (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded; and (iv) protect the confidentiality and security of the Computer System and abide by any System Standards related thereto.

Franchisee shall give GTN unlimited access to Franchisee’s point-of-sale system and other software systems used in the Location, by any means designated by GTN.

7.8 CUSTOMER COMPLAINTS. Franchisee shall use its best efforts to promptly resolve any customer complaints. GTN may take any action it deems appropriate to resolve a customer complaint regarding the Location, and GTN may require Franchisee to reimburse GTN for any expenses.

7.9 EVALUATION AND COMPLIANCE PROGRAMS. Franchisee shall participate at its own expense in programs required from time to time by GTN for obtaining customer evaluations, reviewing Franchisee’s compliance with the System, and/or managing customer complaints, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. GTN shall share with Franchisee the results of these programs, as they pertain to the Location. Franchisee must meet or exceed any minimum score requirements set by GTN for such programs. GTN may set minimum scores that Franchisee must receive from the public on Internet review sites (such as Yelp or Google).

7.10 PAYMENT SYSTEMS. Franchisee shall accept payment from customers in any form or manner designated by GTN (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by GTN. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 GIFT CARDS, LOYALTY PROGRAMS, AND INCENTIVE PROGRAMS. At Franchisee's expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by GTN, in the manner specified by GTN in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another NerdsToGo franchise. Franchisee shall comply with all procedures and specifications of GTN related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription programs, or customer incentive programs.

7.12 MAINTENANCE AND REPAIR. Franchisee shall at all times keep the Location in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Location as GTN may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and décor. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, and repair.

7.13 REMODELING. In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, if the Location is a Local Service Center Model, GTN may require Franchisee to undertake and complete a Remodel of the Location to GTN's satisfaction. Franchisee must complete the Remodel in the time frame specified by GTN. GTN may require the Franchisee to submit plans for GTN's reasonable approval prior commencing a required Remodel. GTN's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two (2) or last two (2) years of the Term (except that a Remodel may be required as a condition to renewal of the Term or a Transfer), and (ii) a Remodel will not be required more than once every five (5) years from the date on which Franchisee was required to complete the prior Remodel.

7.14 VEHICLES. Franchisee shall purchase or lease at least the number of vehicles specified by GTN. Franchisee shall ensure that all vehicles operated by the Location comply with System Standards for make and model, paint color, vehicle graphics and décor, required equipment, and any other System Standards of GTN. Without limiting the generality of the foregoing, all of Franchisee's vehicles must be of the same make and model. Franchisee shall keep all vehicles in excellent or better repair, clean, and free of dents and other damage, and shall ensure that the vehicles present a first-class image appropriate to the NerdsToGo System.

7.15 INSURANCE. During the Term of this Agreement Franchisee must maintain in force at Franchisee's sole expense comprehensive public liability, general liability, product

liability and motor vehicle liability, employee practices liability, cyber security liability and insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Location's operation, all containing the minimum liability coverage GTN prescribes from time to time. GTN may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name GTN and any affiliates GTN designates as additional named insureds (as permitted by applicable law) and provide for thirty (30) days' prior written notice to GTN of a policy's material modification, cancellation or expiration. Franchisee routinely must furnish GTN copies of Franchisee's Certificate of Insurance or other evidence of Franchisee maintaining this insurance coverage and paying premiums. If Franchisee fails or refuses to obtain and maintain the insurance GTN specifies, in addition to GTN's other remedies, GTN may (but need not) obtain such insurance for Franchisee and the Business on Franchisee's behalf, in which event Franchisee shall cooperate with GTN and reimburse GTN for all premiums, costs and expenses GTN incurs in obtaining and maintaining the insurance, plus a reasonable fee for GTN's time incurred in obtaining such insurance.

7.16 OBLIGATIONS TO THIRD PARTIES. Franchisee shall pay all vendors and suppliers in a timely manner. Franchisee shall pay all taxes when due. If Franchisee borrows money, it shall comply with the terms of its loan and make all loan payments when due. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location and make all rent payments when due.

7.17 PUBLIC RELATIONS. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding NerdsToGo, the Location, or any particular incident or occurrence related to the Location, without GTN's prior written approval (which will not be unreasonably withheld).

7.18 NO OTHER ACTIVITY ASSOCIATED WITH THE LOCATION. Franchisee shall not engage in any business or other activity at the Location other than operation of the NerdsToGo franchise. Franchisee shall not "co-brand" or associate any other business activity with the Location. Franchisee shall not use assets of the Location for any purpose other than the operation of the Location. If Franchisee is an entity, the entity shall not own or operate any other business except NerdsToGo franchises.

7.19 NO THIRD PARTY MANAGEMENT. Franchisee shall not engage a third party management company to manage or operate the Location without the prior written approval of GTN, which will not be unreasonably withheld.

7.20 MEETINGS. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that GTN requires, including any national or regional brand conventions. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

7.21 INDEPENDENT CONTRACTOR. Franchisee and GTN understand and agree that this Agreement does not create a fiduciary relationship between Franchisee and GTN, that Franchisee and GTN are and will be independent contractors, and that nothing in this Agreement is intended to make either Franchisee or GTN a general or special agent, joint venturer, partner, or employee of the other for any purpose. Franchisee agrees to identify itself conspicuously in all dealings with customers, suppliers, public officials, Location personnel, and others as the Location's franchisee under a franchise license GTN has granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials GTN requires from time to time.

None of Franchisee's employees or other personnel will be considered to be GTN's employees, agents or personnel. Neither Franchisee nor any of Franchisee's employees, agents or personnel whose compensation Franchisee pays may in any way, directly or indirectly, expressly or by implication, and to be construed to be GTN's employee, agent or personnel for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, provincial, or federal governmental agency. GTN will not have the power to hire or fire Franchisee's employees or personnel. Franchisee expressly agree, and will never contend otherwise, that GTN's authority under this Agreement to certify certain of Franchisee's employees or personnel for qualification to perform certain functions for the Location does not directly or indirectly vest in GTN the power to hire, fire or control any such employee. Franchisee shall at all times comply with all employment laws. GTN will not have any duty or obligation to operate the Location, to direct or supervise Franchisee's employees or to oversee Franchisee's employment policies or practices. Franchisee will post a notice at Franchisee's Location notifying all of its employees that they are Franchisee's employees and not GTN's employees in the manner prescribed by GTN. Franchisee acknowledges and agrees, and will never contend otherwise, that Franchisee alone will exercise day-to-day control over all operations, activities and elements of the Location and that under no circumstances shall GTN do so or be deemed to do so. Franchisee further acknowledges and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which GTN is required to comply with under this Agreement, whether set forth in the Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that GTN controls any aspect or element of the day-to-day operations of the Location, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising Franchisee's control of the day-to-day operations of the Location.

Section 8. SUPPLIERS AND VENDORS

8.1 GENERALLY. Franchisee shall acquire all Inputs required by GTN from time to time in accordance with System Standards. GTN may require Franchisee to purchase or lease any Inputs from GTN, GTN's designee, Required Vendors, Approved Vendors, and/or under GTN's specifications. GTN may change any such requirement or change the status of any vendor. To make such requirement or change effective, GTN shall issue the appropriate System Standards.

8.2 ALTERNATE VENDOR APPROVAL. If GTN requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to

purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by GTN. GTN may condition its approval on such criteria as GTN deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. GTN will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within ninety (90) days after receipt of Franchisee's request.

8.3 ALTERNATE INPUT APPROVAL. If GTN requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by GTN. GTN will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within ninety (90) days after receipt of Franchisee's request.

8.4 PURCHASING. GTN may implement a centralized purchasing system and negotiate prices and terms with vendors on behalf of the System. GTN may receive rebates or payments from vendors in connection with purchases by franchisees.

8.5 NO LIABILITY OF FRANCHISOR. GTN shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

8.6 PRODUCT RECALLS. If GTN or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Location issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from GTN or the vendor, supplier, or manufacturer of such item with respect the recall, repair, or other remedy of such item.

Section 9. MARKETING

9.1 APPROVAL AND IMPLEMENTATION. Franchisee shall not conduct any marketing, advertising, promotions, or public relations activities (including in-Location marketing materials, websites, on-line advertising, social media marketing or presence and sponsorships) that have not been approved by GTN. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations. Franchisee shall implement any marketing plans or campaigns determined by GTN.

9.2 SOCIAL MEDIA. Franchisee may engage in social ("Social Media") that references (expressly or by implication) the Marks or the Location only if GTN approves, only in accordance with the standards that GTN periodically specifies and within Franchisee's Territory. GTN's Social Media Policy as described in further detail in the Manual. On social media sites where a "parent/child" listing relationship exists, GTN must be co-administrator of Franchisee's account.

9.3 USE BY GTN. GTN may use any marketing materials or campaigns developed by or on behalf of Franchisee and Franchisee hereby grant an unlimited, perpetual, royalty-free license to GTN for such purpose.

9.4 MARKETING FUND. Recognizing the value of advertising and marketing to the goodwill and public image of NerdsToGo franchises, GTN has established a Marketing Fund for the advertising, marketing, promotional and public relations programs and materials GTN deems appropriate (the “**Marketing Fund**”). Franchisee agrees to contribute to the Marketing Fund two percent (2%) of the Location’s Gross Sales from the opening date of the Location, payable in the same manner as the Royalty Fee, through the end of the Term of the Agreement. The Marketing Fund is currently administered by GTN.

GTN has the right to collect for deposit into the Marketing Fund any advertising, marketing, promotional or similar allowances paid to GTN by suppliers who deal with NerdsToGo franchises and with whom GTN have agreed that GTN will deposit these allowances. These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes and which GTN and our affiliates, therefore, may use for any purposes we and they deem appropriate.

GTN will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials, testing and endorsements used and their geographic, market, and media placement and allocation. The Marketing Fund is used to pay all costs for the formulation, planning, research, testing, development, production, management, and execution of all marketing, advertising, promotional, merchandising, sales, web, public relations, and social media activities and brand-related employer of choice advertising used to promote and protect the NerdsToGo brand. This includes, but is not limited to, executing marketing research, preparing and producing television, video, audio, radio, magazine, newspaper, outdoor, e-commerce, print, promotions, email, e-newsletter, customer loyalty and satisfaction support, social media, web marketing, website development, website hosting, search engine optimization, Pay-Per-Click advertising, virtual sales assistant customer prospecting email campaigns, Internet banner, and other digital advertising, SMS text marketing programs, direct mail, outdoor activities, telephone prospecting, trade shows, sponsorships, sales collateral material, public relations activities, sales development, sales training, and all other lead generating and sales building activities. The Marketing Fund is used for these activities whether through an outside agency or if these functions are executed and developed by our marketing staff.

The Marketing Fund periodically may give Franchisee samples of advertising, marketing, and promotional formats and materials at no cost.

GTN will account for the Marketing Fund separately from GTN’s other funds and not use the Marketing Fund for any of GTN’s general operating expenses. However, GTN uses the Marketing Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund, the Marketing Fund’s other administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to Marketing Fund business, and other expenses that GTN incurs in activities reasonably related to administering or directing the Marketing Fund and its programs, including, without limitation, conducting market research, public relations activities and social media, preparing advertising,

promotion, marketing materials, sales collateral materials, teaching franchisees how to implement local marketing and collecting and accounting for Marketing Fund Contributions.

The Marketing Fund will not be GTN's asset. Although the Marketing Fund is not a trust, GTN will hold all Marketing Fund Contributions for the benefit of the contributors and use contributions only for the purposes described in this Subsection. Neither GTN owes any fiduciary obligation to Franchisee for administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund Contributions in that year, borrow from GTN or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. GTN will use all interest earned on Marketing Fund Contributions to pay costs before using the Marketing Fund's other assets.

GTN will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give Franchisee the statement upon written request. GTN may have the Marketing Fund audited, at the Marketing Fund's expense, by an independent certified public accountant. GTN may incorporate the Marketing Fund or operate it through a separate entity whenever GTN deems appropriate. The renewal entity will have all of the rights and duties specified in this Subsection.

GTN intends the Marketing Fund to maximize recognition of the Marks, patronage of NerdsToGo franchises and when offered, e-commerce programs. Although GTN will try to use the Marketing Fund to develop advertising, marketing, promotional, and sales materials and programs that will benefit all NerdsToGo franchises, neither GTN ensures that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to Marketing Fund Contributions by NerdsToGo franchises operating in that geographic area or that any NerdsToGo franchise benefits directly or in proportion to its Marketing Fund Contribution from the development of materials or the placement of advertising, marketing, promotions or sale-related programs.

GTN has the right, but no obligation, to use collection agents and institute legal proceedings to collect Marketing Fund Contributions at the Marketing Fund's expense. GTN also may forgive, waive, settle, and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Subsection, neither GTN assumes any direct or indirect liability nor obligation to Franchisee for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

9.5 REQUIRED SPENDING. After Franchisee's first three (3) months in business, Franchisee shall spend five percent (5%) of Gross Sales (inclusive of the two percent (2%) paid to the Marketing Fund) each month on local advertising and promotion of the Location. Upon request of GTN, Franchisee shall furnish proof of its compliance with this Subsection. GTN has the sole discretion to determine what activities constitute "marketing" under this Subsection.

9.6 MARKET INTRODUCTION PLAN. Before Franchisee registers for initial training, Franchisee must pay Fourteen Thousand Five Hundred dollars (\$14,500) for initial advertising for Franchisee's Location to GTN. This will be administered by GTN's marketing department. GTN will create a marketing and advertising plan for Franchisee's Location and will allocate Franchisee's required initial marketing and advertising pre-paid dollars to local programs at GTN's sole discretion that will be scheduled to run for four (4) to six (6) months.

The programs in the initial marketing and advertising plan may include direct mail marketing programs (including a grand opening mail campaign), initial marketing materials (three (3) to four (4) month supply), local web search marketing including Pay-Per-Click advertising, social media campaigns, virtual sales assistant customer prospecting email campaigns and sales promotion items. There is twelve (12) months of virtual sales assistant customer prospecting email campaigns included in Franchisee's initial marketing and advertising plan. Marketing programs are evaluated for effectiveness and GTN may make changes to the tactics in order to optimize the initial marketing and advertising plan. If additional funds remain after GTN outlines the spending on these programs and materials on the elements above, other programs such as local media or association marketing opportunities can be discussed for inclusion in the pre-paid portion of the marketing plan. The marketing plan will also include recommended programs, and spending that Franchisee can choose to implement or not, or modify as desired beyond the pre-paid fund amount. These recommended programs and their associated costs are not included in the initial advertising costs of Fourteen Thousand Five Hundred Dollars (\$14,500) payable to GTN. Franchisee agrees to comply with GTN's guidelines for this initial marketing and advertising plan. GTN recommends that Franchisee invest additional amounts to local marketing during the first year of the Location's operation.

Upon expiration of the pre-paid marketing dollars referenced above for Pay-Per-Click advertising, Franchisee is required to continue Pay-Per-Click advertising using and paying GTN's designated agency to direct web traffic to Franchisee's Location during its business hours.

If Franchisee chooses to continue the virtual sales assistant customer prospecting email campaigns upon expiration of the pre-paid marketing dollars referenced above, Franchisee must use and pay GTN's designated vendor.

Section 10. RECORDS AND REPORTS

10.1 SYSTEMS. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as GTN may specify in the Manual or otherwise in writing.

10.2 REPORTS.

(a) Sales. Franchisee shall regularly record and report to GTN all monthly Gross Sales (including breakdown between Gross Product Sales and Gross Software/Service Sales) by fifth (5th) day of the following month.

(b) Financial Reports. Franchisee shall provide such periodic financial reports as GTN may require in the Manual or otherwise in writing, including:

- (i) a monthly profit and loss statement and balance sheet for the Location within thirty (30) days after the calendar month;

- (ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Location within sixty (60) days after the end of GTN's fiscal year;
- (iii) any information GTN requests in order to prepare a financial performance representation for GTN's franchise disclosure document;
- (iv) within sixty (60) days after filing, a copy of Franchisee's federal tax return; and
- (v) within ten (10) days after GTN's request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information GTN periodically requires relating to the Location.

(c) Legal Actions and Investigations. Franchisee shall promptly notify GTN of any action or threatened action by any customer, governmental authority, or other third party against Franchisee or the Location, or otherwise involving the Franchisee or the Location. Franchisee shall provide such documents and information related to any such action as GTN may request.

(d) Government Inspections. Franchisee shall give GTN copies of all inspection reports, budgets, forecasts, warnings, certificates, and ratings issued by any governmental entity with respect to the Location, within three (3) days of Franchisee's receipt thereof.

(e) Other Information. Franchisee shall submit to GTN such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Location as specified in the Manual or that GTN may reasonably request.

10.3 INITIAL INVESTMENT REPORT. Within one hundred twenty (120) days after opening the Location for business, Franchisee shall submit to GTN a report detailing Franchisee's investment costs to develop and open the Location, with costs allocated to the categories described in Item 7 of GTN's Franchise Disclosure Document and with such other information as GTN may request.

10.4 BUSINESS RECORDS.

Franchisee agrees to prepare all financial statements in accordance with Generally Accepted Accounting Principles ("GAAP") using GTN's recommended chart of accounts using the accrual basis of accounting and to verify and sign each report and financial statement in the manner GTN prescribe. GTN may disclose data derived from these reports, although GTN will not without Franchisee's consent (unless required by law) disclose Franchisee's identity in any materials that GTN circulates publicly. Moreover, GTN may, as often as GTN deems appropriate (including on a daily basis), access the Computer System and extract or send through the Internet all information relating to the Location's operation.

Franchisee agrees to preserve and maintain all records in a secure place at the Location for at least seven (7) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts,

disbursement journals, and general ledgers). GTN may require Franchisee to have audited financial statements prepared annually during this Agreement's Term.

10.5 RECORDS AUDIT. GTN may at any time during Franchisee's business hours, and without prior notice to Franchisee, examine Franchisee's (if Franchisee is an Entity) and the Location's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. Franchisee agrees to cooperate fully with GTN's representatives and independent accountants in any examination. If any examination discloses an understatement of the Location's Gross Sales, Franchisee agrees to pay GTN, within fifteen (15) days after receiving the examination report, the Royalty Fee and Marketing Fund Contribution due on the amount of the understatement, plus GTN's service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to Franchisee's failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if GTN's examination reveals a Royalty Fee or Marketing Fund Contribution understatement exceeding three percent (3%) or more for any four (4) week period of the amount that Franchisee actually reported to GTN for the period examined, Franchisee agrees to reimburse GTN for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of GTN's employees and representatives. These remedies are in addition to GTN's other remedies and rights under this Agreement and applicable law.

Section 11. FRANCHISOR RIGHTS

11.1 MANUAL; MODIFICATION. The Manual, and any part of the Manual, may be in any form or media determined by GTN. GTN may supplement, revise, or modify the Manual, and GTN may change, add or delete System Standards at any time in its discretion. GTN may inform Franchisee thereof by any method that GTN deems appropriate (which need not qualify as "notice" under Subsection 18.9). In the event of any dispute as to the contents of the Manual, GTN's master copy will control.

11.2 INSPECTIONS. To determine whether Franchisee and the Location are complying with this Agreement and all System Standards, GTN and GTN's designated agents or representatives may at all times and without prior notice to Franchisee: (1) inspect the Location; (2) photograph the Location and observe and video the Location's operation for consecutive or intermittent periods GTN deems necessary; (3) remove samples of any products and supplies; (4) interview the Location's personnel and customers; and (5) inspect and copy any books, records, data files and documents relating to the Location's operation. If GTN exercises any of these rights, GTN will not interfere unreasonably with the Location's operation. Franchisee acknowledges that any evaluation or inspection that GTN conducts is conducted in order to protect GTN's interests in the System Standards and Marks and is not intended to exercise, and does not constitute, in whole or in part, control over the day-to-day operation of the Location and Franchisee agrees to never contend otherwise. Franchisee agrees to cooperate with GTN fully.

GTN may set a minimum score requirement for inspections, and Franchisee's failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting GTN's other rights under this Agreement, Franchisee will as soon as reasonably practical,

correct any deficiencies noted during an inspection. If GTN conducts an inspection because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed inspection), then GTN may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee.

11.3 GTN'S RIGHT TO CURE. If Franchisee breaches or defaults under any provision of this Agreement, GTN may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse GTN for its costs and expenses (including the allocation of any internal costs) for such action, plus ten percent (10%) as an administrative fee.

11.4 RIGHT TO DISCONTINUE SUPPLIES UPON DEFAULT. While Franchisee is in default or breach of this Agreement, GTN may (i) require that Franchisee pay cash on delivery for products or services supplied by GTN, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third party vendors to not sell or provide products or services to Franchisee. No such action by GTN shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of GTN are in addition to any other right or remedy available to GTN.

11.5 DELEGATION. GTN may delegate any duty or obligation of GTN under this Agreement to an affiliate or to a third party.

11.6 COMMUNICATION SYSTEMS. If GTN provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems and authorizes GTN to access such communications.

11.7 COMMUNICATION WITH EMPLOYEES. Franchisee irrevocably authorizes GTN to communicate with Franchisee's general manager or other key employee on any matter related to the System or the Location.

11.8 COMMUNICATIONS WITH LANDLORD AND LENDERS. Franchisee irrevocably authorizes GTN to communicate with Franchisee's landlord and lender(s), or prospective landlord and lender(s), about matters relating to the Location, and to provide information about the Location to them.

11.9 SYSTEM VARIATIONS. GTN may vary or waive any System Standard for any one (1) or more NerdsToGo franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, and population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 BUSINESS DATA. All personal information of customers of the Location, other NerdsToGo franchises and other non-public data generated by the Location is Confidential

Information and is exclusively owned by GTN. “Personal Information” is data that identifies and individual or relates to and identifiable individual. GTN hereby licenses such data back to Franchisee without charge solely for Franchisee’s use in connection with the Location for the Term of this Agreement. Franchisee will comply with all applicable laws in relation to the collection, processing and storage of customer information.

Section 12. MARKS

12.1 AUTHORIZED MARKS. Franchisee’s right to use the Marks is derived only from this Agreement and limited to Franchisee operating the Location according to this Agreement and all System Standards GTN prescribes during its Term. Franchisee’s unauthorized use of the Marks is a breach of this Agreement and infringes on GTN’s rights in the Marks. Franchisee acknowledges and agrees that Franchisee’s use of the Marks and any goodwill established by that use are exclusively for GTN’s benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon Franchisee (other than the right to operate the Location under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks GTN authorizes Franchisee to use. Franchisee may not at any time during or after this Agreement’s Term contest or assist any other person in contesting the validity, or GTN’s ownership, of the Marks.

12.2 CHANGE OF MARKS. If it becomes advisable at any time for GTN and/or Franchisee to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, Franchisee agrees to comply with GTN’s directions within a reasonable time after receiving notice. Any costs incurred by Franchisee to comply with any change or modification of any Mark will be paid solely by Franchisee; however, GTN may, at GTN’s discretion, reimburse a portion of the costs to Franchisee. GTN need not reimburse Franchisee for any loss of revenue due to any modified or discontinued Mark, or for Franchisee’s expenses of promoting a modified or substitute trademark or service mark.

GTN’s rights in this Section apply to any and all of the Marks (and any portion of any Mark) that GTN authorizes Franchisee to use in this Agreement. GTN may exercise these rights at any time and for any reason, business or otherwise, that GTN thinks best. Franchisee acknowledges both GTN’s right to take this action and Franchisee’s obligation to comply with GTN’s directions.

12.3 INFRINGEMENT.

(a) Defense of Franchisee. GTN agrees to reimburse Franchisee for all damages and expenses that Franchisee incurs in any trademark infringement proceeding disputing Franchisee’s authorized use of any Mark under this Agreement if Franchisee has timely notified GTN of, and comply with GTN’s directions in responding to the proceeding. At GTN’s option, GTN may defend and control the defense of any proceeding arising from Franchisee’s use of any Mark under this Agreement.

(b) Infringement by Third Party. Franchisee agrees to notify GTN immediately of any apparent infringement or challenge to Franchisee’s use of any Mark, or of any person’s claim of any rights in any Mark, and not to communicate with any person other than GTN, our attorneys, and your attorneys, regarding any infringement, challenge, or claim.

GTN may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. Franchisee agrees to sign any documents and take any other reasonable action that, in the opinion of GTN's attorneys, are necessary or advisable to protect and maintain GTN's interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain GTN's interests in the Marks. GTN will reimburse Franchisee for Franchisee's costs of taking any GTN has asked Franchisee to take.

12.4 NAME.

Franchisee agrees to use the Marks as the Location's sole identification, except that Franchisee agrees to identify Franchisee as its independent owner in the manner GTN prescribes. Franchisee may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos GTN has licensed to Franchisee), (3) in selling any unauthorized services or products, (4) as part of any domain name, homepage, electronic address, email addresses, or otherwise in connection with a Website, or (5) in any other manner that GTN has not expressly authorized in writing.

Franchisee may not use any Mark in advertising the transfer, sale, or other disposition of the Location or an ownership interest in Franchisee without GTN's prior written consent, which GTN will not unreasonably withhold. Franchisee agrees to display the Marks prominently as GTN prescribes at the Location and on forms, advertising, supplies, and other materials GTN designate. Franchisee agree to give the notices of trade and service mark registrations that GTN specifies and to obtain any fictitious or assumed name registrations required under applicable law.

Section 13. COVENANTS

13.1 CONFIDENTIAL INFORMATION.

GTN possesses (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "**Confidential Information**"), relating to developing and operating NerdsToGo franchises, including (without limitation):

- (1) site selection criteria;
- (2) training and operations materials and Manual;
- (3) methods, formats, specifications, standards, systems, procedures, production techniques, production processes, sales and marketing techniques, knowledge, and experience used in developing and operating NerdsToGo franchises;
- (4) sales, marketing and advertising programs for NerdsToGo franchises;
- (5) knowledge of, specifications for, and suppliers of operating assets and other products and supplies;

- (6) any computer software or similar technology which is proprietary to us or the System, including, without limitation, digital passwords and identifications and any source code and data, reports, and other printed materials generated by, the software or similar technology;
- (7) knowledge of the operating results and financial performance of NerdsToGo franchises other than the Location;
- (8) graphic designs and related intellectual property; and
- (9) personal information of any customer of the Location and other NerdsToGo franchises (“**Customer Information**”). “Personal information” is data that identifies an individual or relates to an identifiable individual.

Franchisee acknowledges and agrees that Franchisee will not acquire any interest in Confidential Information, other than the right to use it as GTN specifies in operating the Location during this Agreement’s Term, and that Confidential Information is proprietary, includes GTN’s trade secrets, and is disclosed to Franchisee only on the condition that Franchisee agrees, and Franchisee in fact agrees, that Franchisee:

- (a) will not use Confidential Information in any other business or capacity;
- (b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement’s Term and then thereafter for as long as the item is not generally known in the technology repair and service industry;
- (c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;
- (d) will not sell, trade or otherwise profit in any way from any Confidential Information, except during the Term using methods GTN approves;
- (e) will comply with all applicable laws in relation to the collection, processing and storage of Customer Information;
- (f) will, in addition to the procedures described herein, adopt and implement all reasonable procedures, including those prescribed from time to time by GTN, to prevent unauthorized use or disclosure of or access to any Confidential Information; and
- (g) will require and obtain execution of GTN’s then-current confidentiality/non-compete agreement from Franchisee’s general manager, key management employees, outside sales professional and other personnel who have received or will have access to Confidential Information (unless prohibited by applicable law). Franchisee will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information.

Confidential Information does not include information, knowledge, or know-how which Franchisee can demonstrate lawfully came to Franchisee's attention before GTN provided it to Franchisee directly or indirectly; which, at the time GTN disclosed it to Franchisee, already had lawfully become generally known in the technology repair and service industry through publication or communication by others (without violating an obligation to GTN); or which, after GTN discloses it to Franchisee, lawfully becomes generally known in the technology repair and service industry through publication or communication by others (without violating an obligation to GTN). However, if GTN include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

GTN works together with Franchisee, Franchisee's Executive Principal, Franchisee's Owners and other franchisees towards constant improvement and adapting to change to remain relevant and competitive in the technology repair and service industry. Many of GTN's current processes are a result of franchisee innovation and input.

All ideas, concepts, techniques, or materials relating to a NerdsToGo franchises, whether or not protectable intellectual property and whether created by or for Franchisee, Franchisee's Executive Principal or employees, must be promptly disclosed to GTN and will be deemed to be GTN's sole and exclusive property, part of the System, and works made-for-hire for GTN. To the extent that any item does not qualify as a "work made-for-hire" for GTN, by this paragraph Franchisee assigns ownership of that item, and all related rights to that item, to GTN and agrees to take whatever action (including signing assignment or other documents) GTN requests to evidence GTN's ownership or to help GTN obtain intellectual property rights in the item.

13.2 CONVENANTS NOT TO COMPETE.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two (2) years after this Agreement expires or is terminated for any reason (or, if applicable, for two (2) years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any Competitor within five (5) miles of Franchisee's Territory or the territory of any other NerdsToGo business operating on the date of expiration, termination, or transfer, as applicable.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Subsection is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of GTN. Franchisee agrees that the existence of any claim it may have against GTN shall not constitute a defense to the enforcement by GTN of the covenants of this Subsection. If a Restricted Party fails to comply

with the obligations under this Subsection during the restrictive period, then the restrictive period will be extended an additional day for each day of non-compliance.

Section 14. DEFAULT AND TERMINATION

14.1 TERMINATION BY GTN.

(a) Subject to ten (10) Day Cure Period. GTN may terminate this Agreement if Franchisee does not make any payment to GTN when due, or if Franchisee does not have sufficient funds in its account when GTN attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within ten (10) days after GTN gives notice to Franchisee of such breach.

(b) Subject to thirty (30) Day Cure Period. If Franchisee breaches this Agreement in any manner not described in Subsection (a) or (c), and Franchisee fails to cure such breach to GTN's satisfaction within thirty (30) days after GTN gives notice to Franchisee of such breach, and then GTN may terminate this Agreement.

(c) Without Cure Period. GTN may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;
- (ii) Franchisee knowingly submits any false report or knowingly provides any other false information to GTN;
- (iii) a receiver or trustee for the Location or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Location, or an attachment or lien remains on the Location for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within forty-five (45) days, or Franchisee is adjudicated as bankrupt;
- (iv) Franchisee does not locate, and sign a Lease or purchase document for, an acceptable site for the Premises within sixteen (16) weeks after the Effective Date;
- (v) Franchisee fails to open for business by the date specified on the Summary Page;
- (vi) Franchisee loses possession of the Location;
- (vii) Franchisee (or Franchisee's Executive Principal) do not satisfactorily complete the initial training program;

- (viii) Franchisee or any Owner commits a material violation of Subsection 7.2 (compliance with laws) or Subsection 13.1 (confidentiality), violates Subsection 13.2 (non-compete) or Section 15 (transfer), failure to comply with any System Standard, or commits any other violation of this Agreement which by its nature cannot be cured;
- (ix) Franchisee abandons or ceases operation of the Location for more than five (5) consecutive business days, unless Franchisee closes the Location for a purpose GTN approves or because of casualty or government order;
- (x) Franchisee or any Owner slanders or libels GTN or any of its employees, directors, or officers;
- (xi) Franchisee refuses to cooperate with or permit any audit or inspection by GTN or its agents or contractors, or otherwise fails to comply with Subsection 10.5 or Subsection 11.2;
- (xii) the Location is operated in a manner which, in GTN's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within forty-eight (48) hours after becoming aware of the danger (due to notice from GTN or otherwise);
- (xiii) Franchisee has received two (2) or more notices of default and Franchisee commits another breach of this Agreement, all in the same twelve (12) month period;
- (xiv) GTN (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate);
- (xv) Franchisee (or any of Owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to a felony, a crime involving moral turpitude, or any other crime or offense, or any other crime or offense that GTN believes is reasonably likely to have an adverse effect on the NerdsToGo brand, the goodwill in the Marks, or GTN's interest in the Marks; or
- (xvi) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in GTN's opinion is reasonably likely to materially and unfavorably affect the NerdsToGo brand;
- (xvii) Franchisee receives three (3) or more material customer complaints within a twelve (12) month period that are reported to Franchisor and are not resolved to Franchisor's complete satisfaction;
- (xviii) Franchisee sells any product or service Franchisor has not authorized for sale at the Location; and

- (xix) Franchisee's or any Owner's assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or Franchisee or any of your Owners otherwise violate any such law, ordinance, or regulation.

14.2 INTERIM REMEDIES.

GTN has the right (but not the obligation), under the circumstances described below, to enter the Location and assume the Location's management (or to appoint a third party to assume its management) for any period of time GTN deems appropriate. If GTN (or a third party) assume the Location's management under subparagraphs (1) and (2) below, Franchisee agree to pay GTN (in addition to the Royalty Fees, Marketing Fund Contributions, and other amounts due under this Agreement) five hundred dollars (\$500) per day, plus GTN's (or the third party's) direct out-of-pocket costs and expenses, for up to sixty (60) days after GTN assumes management.

If GTN (or a third party) assume the Location's management, Franchisee acknowledge that GTN (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or your Owners for any debts, losses, or obligations the Location incurs, or to any of Franchisee's creditors for any supplies, products, or other assets or services the Location purchases, while GTN (or the third party) manage it.

GTN (or a third party) may assume the Location's management under the following circumstances: (1) if Franchisee abandon or fail actively to operate the Location; (2) if Franchisee fails to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period GTN specifies in GTN's notice to Franchisee; or (3) if this Agreement expires or is terminated and GTN is deciding whether to exercise GTN's option to purchase the Location under Subsection 14.G. below.

If GTN exercise GTN's rights under subparagraphs (1) or (2) above, that will not affect GTN's right to terminate this Agreement under Subsection 14.1. above.

If Franchisee is in default of any provision of this Agreement, GTN may, at GTN's option, elect to impose interim remedies and/or Limited Services on Franchisee's Location ("**Limited Services**") rather than terminate this Agreement. GTN will provide written notice to Franchisee prior to placing Franchisee on Limited Services. If Franchisee is in default and receiving Limited Services, GTN may terminate this Agreement at any time if Franchisee fails to cure the default Limited Services may include:

- (1) Location's web page(s) removed from NerdsToGo.com;
- (2) no access to Marketing Fund services (if applicable);
- (3) removal of Franchisee or Franchisee's personnel from the email system;
- (4) no access to the GTN's NerdNet proprietary operations portal;
- (5) not eligible to attend any NerdsToGo events;

- (6) no access to NerdsToGo on-line training;
- (7) no access to Location design, layout services real estate services;
- (8) not eligible to purchase or open additional NerdsToGo franchises; and
- (9) business visits limited to only what is required by this Agreement.

14.3 EFFECT OF TERMINATION. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

- (i) pay all amounts owed based on the operation of the Location to GTN within fifteen (15) days after this Agreement expires or is terminated;
- (ii) if GTN terminates this Agreement as result of Franchisee's breach, Franchisee and GTN agree that the amount damages which GTN would incur for any such early termination would be difficult, if not impossible, to accurately ascertain. Accordingly, within thirty (30) days following such termination, Franchisee shall pay GTN an amount equal to the average monthly Royalty Fee and Marketing Fund Contributions that Franchisee owed to GTN for the past twenty-four (24) months multiplied by the lesser of thirty-six (36) or the number of months remaining in the Term ("**Early Termination Damages**"). If Franchisee has not operated the Location for twenty-four (24) months prior to the termination of this Agreement, the Early Termination Damages will be calculated by using the average monthly Royalty Fees and Marketing Fund Contributions Franchisee owed for the number of months that the Location operated multiplied by thirty-six (36). These Early Termination Damages shall constitute liquidated damages and are not to be construed as a penalty and shall be the joint and several liability of Franchisee and each of Franchisee's Owners who personally guarantee Franchisee's obligations under this Agreement.

The parties acknowledge and agree that: (a) the Early Termination Damages are a reasonable estimation of the damages that GTN would incur if this Agreement is prematurely terminated; and (b) Franchisee's payment of such Early Termination Damages is intended to fully compensate GTN for any and all damages related to or arising out of the premature termination of this Agreement, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor waiver of our claim for other damages and/or equitable relief arising out of Franchisee's breach of this Agreement.

The imposition of Early Termination Damages shall be at GTN's sole option. GTN is not required to impose Early Termination Damages and may, in addition or in lieu thereof, pursue other remedies available to GTN under the terms and conditions of this Agreement, in equity or at law in the event of Franchisee's breach under this Agreement, including, without limitation, actual damages GTN

incurs, if such can be ascertained. All such remedies shall be cumulative and non-exclusive.

- (ii) return to GTN all copies of the Manual, Confidential Information and any and all other materials provided by GTN to Franchisee or created by a third party for Franchisee relating to the operation of the Location, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;
- (iii) notify the telephone, Internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to GTN or any new franchisee as may be directed by GTN, and Franchisee hereby irrevocably appoints GTN, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and
- (iv) cease doing business under any of the Marks.

14.4 REMOVE IDENTIFICATION. Within thirty (30) days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a NerdsToGo franchise, to the reasonable satisfaction of GTN. Franchisee shall comply with any reasonable instructions and procedures of GTN for de-identification. If Franchisee fails to do so within thirty (30) days after this Agreement expires or is terminated, GTN may enter the Location to remove the Marks and de-identify the Location. In this event, GTN will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by GTN.

14.5 OTHER CLAIMS. Termination of this Agreement by GTN will not affect or discharge any claims, rights, causes of action or remedies (including claims for GTN's lost future income after termination), which GTN may have against Franchisee, whether arising before or after termination.

14.6 PURCHASE OPTION. Upon termination of this Agreement, or upon expiration of this Agreement without renewal, Franchisee will, at GTN's option, assign to GTN or GTN's designee Franchisee's interest in any lease or sublease of the Location and Franchisee's interest in any lease for equipment used in the operation of the Location. Also, upon termination of this Agreement, or expiration of this Agreement without renewal, GTN shall have the right and option, but not the obligation, to purchase the inventory, equipment, fixtures, furnishings, and any and all items bearing the Marks at Franchisee's cost or fair market value, whichever is less. In determining the fair market value of the assets, GTN and Franchisee will not include any value for goodwill, the rights granted by this Agreement, or participation in the network of NerdsToGo franchises. If GTN elects to exercise this option, GTN will deliver written notice to Franchisee of GTN's election within thirty (30) days after the date of termination or expiration of this Agreement. GTN will have the right to inspect the Location and assets at any time during this thirty (30) day period. If GTN elects to purchase any of these assets, GTN will be entitled

to, and Franchisee must provide, all customary warranties and representations relating to the asset purchase, including, without limitation, representations and warranties as to maintenance, function, condition and Franchisee's good title (including that Franchisee owns the assets free and clear of any liens and encumbrances).

Section 15. TRANSFERS

15.1 BY GTN. Franchisee acknowledges that GTN maintains a staff to manage and operate the Franchise System and that staff members can change as employees come and go. Franchisee represents that Franchisee has not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with GTN in that capacity. GTN may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After GTN's assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, GTN no longer will have any performance or other obligations under this Agreement.

15.2 BY FRANCHISEE. Franchisee understands and acknowledges that the rights and duties of this Agreement creates are personal to Franchisee (or, if Franchisee is an Entity, to Franchisee's Owners) and that GTN has granted Franchisee the Location in reliance upon GTN's perceptions of Franchisee's Principal Executive (or Franchisee's Owners) individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without GTN's prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the Location (or any right to receive all or a portion of the Location's profits or losses); (iv) any ownership interest in Franchisee (regardless of its size); or (v) any ownership interest in any of Franchisee's Owners (if such Owners are legal entities). A transfer of the Location's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without GTN's approval is a breach of this Agreement and has no effect.

In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition. An assignment, sale, gift, or other disposition includes the following events:

- (h) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;
- (i) merger or consolidation or issuance of additional securities or other forms of ownership interest;
- (j) any sale of a security convertible to an ownership interest;
- (k) transfer of an interest in Franchisee, this Agreement, the Location or substantially all of its assets, or Franchisee's Owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;
- (l) if Franchisee, one of Franchisee's Owners, or one of Franchisee's Owners dies, a transfer of an interest in Franchisee, this Agreement, the Location

or substantially all of its assets, or Franchisee's Owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(m) pledge of this Agreement (to someone other than GTN) or of an ownership interest in Franchisee or Franchisee's Owners as security, foreclosure upon the Location, or Franchisee's transfer, surrender, or loss of the Location's possession, control, or management. Franchisee may grant a security interest (including a purchase money security interest) in the Location's assets (not including this Agreement) to a lender that finances Franchisee's acquisition, development, and/or operation of the Location without having to obtain GTN's prior written approval as long as Franchisee gives GTN ten (10) days' prior written notice.

If Franchisee (and Franchisee's Owners) are fully complying with this Agreement, then, subject to the other provisions of this Subsection GTN will approve a transfer that meets all of the requirements in this Subsection:

- (i) GTN receives a transfer fee equal to seventeen thousand five hundred dollars (\$17,500) plus any broker fees and other out-of-pocket costs incurred by GTN (except that the seventeen thousand five hundred dollars (\$17,500) will not be due in connection with a transfer for estate planning purposes or to a spouse, sibling, or child of an Owner);
- (ii) the proposed assignee and its Owners have completed GTN's franchise application processes, meet GTN's then-applicable standards for new franchisees, and have been approved by GTN as franchisees;
- (iii) the proposed assignee is not a Competitor;
- (iv) the proposed assignee executes GTN's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement, including Royalty Fee and a revised Territory;
- (v) all Owners of the proposed assignee provide a guaranty in accordance with Subsection 2.5;
- (vi) Franchisee has paid all monetary obligations to GTN and its affiliates, and to any lessor, vendor, supplier, or lender to the Location, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to GTN or its affiliates;
- (vii) the proposed assignee and its Owners and employees undergo such training as GTN may require;
- (viii) Franchisee, Principal Executive, its Owners, and the transferee and its Owners execute a general release of GTN in a form satisfactory to GTN;
- (ix) the Location fully complies with all of the GTN's most recent System Standards;

- (x) GTN has determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Location;
- (xi) if Franchisee or Franchisee's Owners finance any part of the purchase price, Franchisee and/or Franchisee's Owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Location are subordinate to the transferee's obligation to pay Royalty Fees, Marketing Fund Contributions, and other amounts due to GTN, GTN's affiliates, and third party vendors and otherwise to comply with this Agreement; and
- (xii) GTN may review all information regarding the Location that Franchisee gives the transferee, correct any information that GTN believes is inaccurate, and gives the transferee copies of any reports that Franchisee has given GTN or GTN has made regarding the Location.

15.3 TRANSFER FOR CONVENIENCE OF OWNERSHIP. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least fifteen (15) days' notice to GTN, if, prior to the Transfer: (1) the transferee provides the information required by Subsection 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by GTN, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Subsection 2.5.

15.4 TRANSFER UPON DEATH OR INCAPACITY. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Location to a third party approved by GTN (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine (9) months after death or incapacity. Such transfer must comply with Subsection 15.2.

15.5 GTN'S RIGHT OF FIRST REFUSAL. Before Franchisee (or any Owner) engages in a Transfer (except under Subsection 15.3, to an Owner, or to a spouse, sibling, or child of an Owner), GTN will have a right of first refusal, as set forth in this Subsection. Franchisee (or its Owners) shall provide to GTN a copy of the terms and conditions of any Transfer. For a period of thirty (30) days from the date of GTN's receipt of such copy, GTN will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that GTN may substitute cash for any other form of payment). If GTN does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Subsection.

15.6 NO SUBLICENSE. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 NO LIEN ON AGREEMENT. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to

any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

Section 16. INDEMNITY

16.1 INDEMNITY. Franchisee, and each of Franchisee's respective direct and indirect Owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, the "**Indemnified Parties**") from and against all Losses (defined below) which any of the Indemnified Parties may suffer, sustain or incur as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought, by a third party and directly or indirectly arising out of the operation of the Location, Franchisee's conduct of business under this Agreement, Franchisee's breach of this Agreement or for any liability arising from labor or employment law violations (including from Franchisee's acts and omissions and of Franchisee's employees). GTN will promptly notify Franchisee of any claim that may give rise to a claim of indemnity hereunder, provided, however, that the failure to provide such notice shall not release Franchisee from Franchisee's indemnification obligations under this Subsection except to the extent Franchisee is actually and materially prejudiced by such failure. Franchisee shall have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter assuming full responsibility for Losses resulting from such claim, to assume and control the defense of such claim, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of the fees and disbursements of such counsel. If (i) the Indemnified Party shall have been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to Franchisee and, in the reasonable opinion of the Indemnified Party, Franchisee's counsel could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with Franchisee's interests, or (ii) Franchisee does not assume responsibility for such Losses in a timely manner or Franchisee fails to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party shall have the right to employ counsel of its own choosing and Franchisee shall pay the fees and disbursements of such Indemnified Party's counsel as incurred. In connection with any claim, the Indemnified Party or Franchisee, whichever is not assuming the defense of such claim, shall have the right to participate in such claim and to retain its own counsel at such party's own expense. Franchisee or the Indemnified Party (as the case may be) shall keep Franchisee or the Indemnified Party (as the case may be) reasonably apprised of, and shall respond to any reasonable requests concerning, the status of the defense of any claim and shall cooperate in good faith with each other with respect to the defense of any such claim. Franchisee shall not, without the prior written consent of the Indemnified Party, (a) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnified Party and its affiliates, direct and indirect Owners, directors, managers, employees, agents and representatives, or (b) settle or compromise any claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments which will be paid by Franchisee. No claim which is being defended in good faith by Franchisee in accordance with the terms of this Section shall be settled by the Indemnified Party without Franchisee's prior written consent. Notwithstanding anything to the contrary herein, if a claim involves the Marks, Franchisee agree that GTN shall have the exclusive right to assume the defense of such claim, at Franchisee's expense with counsel selected by GTN, but reasonably satisfactory to Franchisee.

Franchisee has no obligation to indemnify or hold harmless, an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's gross negligence, willful misconduct, or willful wrongful omissions.

For purposes of this Section, "**Losses**" include all obligations, liabilities, damages (actual, consequential, or otherwise), and defense costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, and alternative dispute resolution

Franchisee's obligations in this Subsection will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against Franchisee under this Subsection. Franchisee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee under this Subsection.

Section 17. DISPUTE RESOLUTION

17.1 ARBITRATION.

(a) Disputes Subject to Arbitration. GTN and Franchisee agree that, except for controversies, disputes, or claims related to or based on improper use of the Marks or Confidential Information, all controversies, disputes, or claims between GTN and GTN's affiliates, and GTN and GTN's respective shareholders, officers, directors, agents, and/or employees, and Franchisee (and/or Franchisee's Owners, Principal Executive, guarantors, affiliates, and/or employees) arising out of or related to:

- (1) this Agreement or any other agreement between GTN and Franchisee;
- (2) GTN's relationship with Franchisee;
- (3) the validity of this Agreement or any other agreement between GTN and Franchisee; and
- (4) or any System Standard.

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Subsection otherwise provides, according to the then-current commercial arbitration rules of the American Arbitration Association.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Subsection 17.2 below, award any punitive or exemplary damages against either party (GTN and Franchisee hereby waives to the fullest extent permitted

by law, except as expressly provided in Subsection 17.2. below, any right to or claim for any punitive or exemplary damages against the other).

(b) Location. All proceedings will be conducted at a suitable location chosen by the arbitrator within ten (10) miles of GTN 2542 Highlander Way, Carrollton, Texas 75006 located in Dallas County, Texas. The arbitrator shall have no authority to select a hearing or locale other than as described in the previous sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(c) Injunctive Relief. Despite GTN and Franchisee's agreement to arbitrate, GTN and Franchisee each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that GTN and Franchisee must contemporaneously submit GTN's dispute for arbitration on the merits as provided in this Subsection.

(d) Intellectual Property Claims. Either party may bring a claim involving an alleged infringement of any of GTN's intellectual property rights in a court authorized to hear such claims under Subsection 17.2 of this Agreement.

(e) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for GTN to comply with laws and regulations applicable to the sale of franchises.

(f) Performance during Arbitration or Litigation. Unless this Agreement has been terminated, GTN and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

EXCEPT FOR FRANCHISEE'S OBLIGATION TO INDEMNIFY GTN FOR THIRD PARTY CLAIMS UNDER SUBSECTION 16.1. AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, GTN AND FRANCHISEE (AND FRANCHISEE'S OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN GTN AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

GTN AND FRANCHISEE IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.

IN THE EVENT OF TERMINATION OF THIS AGREEMENT PRIOR THE EXPIRATION OF THE TERM DUE TO FRANCHISEE'S DEFAULT, GTN'S ACTUAL DAMAGES WILL INCLUDE ITS LOST FUTURE INCOME FROM ROYALTY FEES,

MARKETING FUND CONTRIBUTIONS AND OTHER AMOUNTS THAT FRANCHISEE WOULD HAVE OWED TO GTN BUT FOR THE TERMINATION.

17.3 WAIVER OF CLASS ACTIONS. GTN and Franchisee agree that arbitration will be conducted on an individual, not a class wide basis and that an arbitration proceeding between GTN and GTN's affiliates, and GTN and GTN's respective shareholders, officers, directors, agents, and/or employees, and Franchisee (and/or Franchisee's Owners, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between GTN and any other person.

17.4 TIME LIMITATION. GTN and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. GTN and Franchisee agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisee or GTN.

17.5 VENUE OTHER THAN ARBITRATION.

SUBJECT TO SUBSECTION 17.1. ABOVE AND THE PROVISIONS BELOW, FRANCHISEE AND FRANCHISEE'S OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN FRANCHISEE AND GTN MUST BE COMMENCED IN STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN DALLAS, TEXAS, AND FRANCHISEE (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION FRANCHISEE (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, FRANCHISEE AND FRANCHISEE'S OWNERS AGREE THAT GTN MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH FRANCHISEE IS DOMICILED OR THE LOCATION IS LOCATED.

17.6 LEGAL COSTS. If GTN incurs costs and expenses due to Franchisee's failure to pay when due amounts owed to GTN, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, Franchisee agrees, whether or not GTN initiate a formal legal proceeding, to reimburse GTN for all of the costs and expenses that GTN incurs, including, without limitation, reasonable accounting, collection agency fees, attorneys', arbitrators', and related fees.

Section 18. MISCELLANEOUS

18.1 NO LIABILITY FOR ACTS OF OTHER PARTIES. GTN and Franchisee may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that GTN's respective relationship is

other than franchisor and franchise Owner. GTN will not be obligated for any damages to any person or property directly or indirectly arising out of the Location's operation or the business Franchisee conducts under this Agreement.

18.2 ENTIRE AGREEMENT.

The preambles and exhibits are a part of this Agreement which, together with the System Standards contained in the (which may be periodically modified, as provided in Section 11, Section 8, and Section 17 above), constitutes GTN's and Franchisee's entire agreement, and there are no other oral or written understandings or agreements between GTN and Franchisee, or oral or written representations by GTN, relating to the subject matter of this Agreement, the franchise relationship, or the Location (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation that GTN made in the most recent Disclosure Document (including exhibits and amendments) that GTN delivered to Franchisee or Franchisee's representative.

Any policies that GTN adopts and implements from time to time to guide GTN in GTN's decision-making are subject to change, are not a part of this Agreement, and are not binding on GTN.

Except as provided in 16.1 and 18.5 nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates GTN reasonably to approve or not unreasonably to withhold GTN's approval of any of Franchisee's actions or requests, GTN has the absolute right to refuse any request Franchisee makes or to withhold GTN's approval of any of Franchisee's proposed, initiated, or completed actions that require GTN's approval. The headings of the Sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these Sections or paragraphs.

References in this Agreement to GTN with respect to all of GTN's rights and all of Franchisee's obligations to GTN under this Agreement, including any of GTN's affiliates with whom Franchisee deals. The term "**affiliate**" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling Franchisee or GTN. "**Control**" means the power to direct or cause the direction of management and policies.

If two (2) or more persons are at any time the Owners of the Location, whether as partners or joint venturers, their obligations and liabilities to GTN will be joint and several. References to "**principal**" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Franchisee (or a transferee of this Agreement and the Location or an ownership interest in Franchisee), including, without limitation, any person who has a direct or indirect interest in Franchisee (or a transferee), this Agreement, the NerdsToGo franchise, or the Location and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

18.3 MODIFICATION.

This Agreement is binding upon GTN and Franchisee and GTN's and Franchisee's respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to GTN's right to modify the Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both GTN's and Franchisee's duly-authorized officers.

18.4 CONSENT WAIVER.

GTN and Franchisee may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights GTN or Franchisee has, will be subject to continuing review, and may be revoked at any time and for any reason, effective upon delivery of ten (10) days' prior written notice.

GTN and Franchisee will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; GTN's or Franchisee's failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; GTN's waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other NerdsToGo franchises; the existence of franchise agreements for other NerdsToGo franchises which contain provisions different from those contained in this Agreement; or GTN's acceptance of any payments due from Franchisee after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to GTN will be a waiver, compromise, settlement, or accord and satisfaction. GTN is authorized to remove any legend or endorsement, which then will have no effect.

Neither GTN nor Franchisee will be liable for loss or damage or be in breach of this Agreement if GTN's or Franchisee's failure to perform GTN's or Franchisee's obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalty Fees or Marketing Fund Contributions due afterward.

18.5 CUMULATIVE REMEDIES.

GTN's and Franchisee's rights under this Agreement are cumulative, and GTN's or Franchisee's exercise or enforcement of any right or remedy under this Agreement will not preclude GTN's or Franchisee's exercise or enforcement of any other right or remedy which GTN or Franchisee are entitled by law to enforce.

18.6 SEVERABILITY. Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, Franchisee and GTN agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of GTN's refusal to enter into a renewal franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and GTN may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

18.7 GOVERNING LAW. ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN GTN AND FRANCHISEE WILL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY TEXAS LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

18.8 NOTICES. All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Manual will be deemed to be delivered:

(n) at the time delivered by hand;

(o) at the time delivered via electronic mail and, in the case of the Royalty Fee, Marketing Fund Contribution and other amounts due, at the time we actually receive payment via the EFTA;

(p) one (1) business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;

(q) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(r) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage pre-paid.

Any notice to GTN Capital Group, LLC, c/o of Legal Department, 2542 Highlander Way Carrollton, Texas 75006 must be sent to the address specified on the first page of this Agreement, although GTN may change this address for notice by giving Franchisee notice of the new address. Any notice that GTN sends to Franchisee, addressed to Franchisee at the notice address set forth in the Summary. You may change the person and/or address for notice only by giving us thirty (30) days' prior notice by any of the means specified in subparagraphs (a) through (e) above.

Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

18.9 HOLDOVER. If Franchisee continues operating the Location after the expiration of the Term without a renewal agreement or renewal franchise agreement executed by the parties in accordance with Subsection 3.2, then at any time (regardless of any course of dealing by the parties), GTN may by giving written notice to Franchisee (the "Holdover Notice") either (i) require Franchisee to cease operating the Location and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as GTN specifies, or (ii) bind Franchisee to a renewal Term of ten (10) years, and deem Franchisee and its Owners to have made the general release of liability described in Subsection 3.2(v).

18.10 JOINT AND SEVERAL LIABILITY. If two or more people sign this Agreement as "Franchisee", each will have joint and several liability.

18.11 NO OFFER AND ACCEPTANCE. Delivery of a draft of this Agreement to Franchisee by GTN does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and GTN.

Section 19. COMPLIANCE WITH ANTI-TERRORISM LAWS

Franchisee and Franchisee's Owners agree to comply, and to assist GTN to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, Franchisee and Franchisee's Owners certify, represent, and warrant that none of Franchisee's property or interests is subject to being blocked under, and that Franchisee's and Franchisee's Owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "**Anti-Terrorism Laws**" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the

Anti-Terrorism Laws by Franchisee or Franchisee's Owners, or any blocking of Franchisee or Franchisee's Owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Subsection 14.1 above.

Section 20. LIMITED LIABILITY

Franchisee agrees that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of GTN shall have any liability for (i) any of GTN's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against GTN based on, in respect of, or by reason of, the relationship between Franchisee and GTN, or (iii) any claim against GTN based on any alleged unlawful act or omission by GTN.

Section 21. CERTIFICATION OF FRANCHISOR'S COMPLIANCE

By signing this Agreement, Franchisee acknowledges the following:

- (1) That Franchisee has independently investigated the NerdsToGo franchise opportunity and recognizes that, like any other business, the nature of the business that a NerdsToGo franchise conducts may, and probably will, evolve and change overtime.
- (2) That an investment in a NerdsToGo franchise involves business risks that could result in the loss of a significant portion or all of Franchisee's investment.
- (3) That Franchisee's business abilities and efforts are vital to Franchisee's success.
- (4) That attracting customers for Franchisee's Location will require Franchisee to make consistent marketing efforts in Franchisee's community through various methods, including media advertising, sales and direct mail advertising, and display and use of in-Location promotional materials and proactive outside sales activities.
- (5) That retaining customers for Franchisee's Location will require Franchisee to have a high level of customer service, produce and deliver an on-time quality product, and adhere strictly to the Franchise System and GTN's System Standards and that Franchisee is committed to maintaining System Standards.
- (6) That Franchisee has not received from GTN, and are not relying upon, any representations or guarantees, express, or implied, as to the potential volume, sales, income, or profits of a NerdsToGo franchise, except as described in GTN's Franchise Disclosure Document.
- (7) That in all of GTN's dealings with Franchisee, GTN's officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between Franchisee and them as a result of this Agreement are deemed to be only between Franchisee and GTN.

- (8) That Franchisee has represented to GTN, to induce GTN's entry into this Agreement, that all statements Franchisee has made and materials Franchisee has given to GTN are accurate and complete and that Franchisee has made no misrepresentations or material omissions in obtaining the NerdsToGo franchise.
- (9) That Franchisee has read this Agreement and GTN's Franchise Disclosure Document and understand and accept that this Agreement's terms and covenants are reasonably necessary for GTN to maintain GTN's high standards of quality and service, as well as the uniformity of those standards at each NerdsToGo franchise, and to protect and preserve the goodwill of the Marks.
- (10) That GTN has the right to restrict Franchisee's sources of other goods and services, as provided in various Sections of this Agreement.
- (11) That GTN has not made any representation, warranty, or other claim regarding this NerdsToGo franchise opportunity, other than those made in this Agreement and GTN's Franchise Disclosure Document, and that Franchisee has independently evaluated this opportunity, including by using Franchisee's business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Agreement.
- (12) That Franchisee has been afforded an opportunity to ask any questions Franchisee has and to review any materials of interest to Franchisee concerning the NerdsToGo franchise opportunity.
- (13) That Franchisee has been afforded an opportunity, and has been encouraged by GTN, to have this Agreement and all other agreements and materials GTN has given or made available to Franchisee reviewed by an attorney and has either done so or waived Franchisee's right to do so.

[Signatures on next page]

Agreed to by:

FRANCHISOR:

GTN CAPITAL GROUP LLC,
a Connecticut limited liability company

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

[if an individual:]

Name: _____

Date: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

(Check if applicable) At the same time as the parties execute this Agreement, they are also executing a Rider to the Agreement pursuant to:

_____ California
_____ Hawaii
_____ Illinois
_____ Indiana
_____ Maryland
_____ Minnesota
_____ New York
_____ North Dakota
_____ Rhode Island
_____ Virginia
_____ Washington
_____ Other

ATTACHMENT 1 TO FRANCHISE AGREEMENT

OWNERSHIP INFORMATION

1. **Form of Ownership.** Franchisee is a (check one):

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State: _____

2. **Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. **Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

ATTACHMENT 2 TO FRANCHISE AGREEMENT
TERRITORY

ATTACHMENT 3 TO THE FRANCHISE AGREEMENT
AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER

GTN CAPITAL GROUP, LLC/PAYEE

BANK NAME _____

ACCOUNT# _____

ABA _____

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, “**debits**”) drawn on such account which are payable to the above named Payee. It is agreed that Depository’s rights with respect to each such debit shall be the same as if it were a check drawn and signed by Depositor. It is further agreed that if any such debt is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor’s own cost and expense any action which might be brought by a Depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository’s or Payee’s participation therein.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____

(Please attach one voided check for the above account)

Location: _____

Location #: _____

For Information call: _____

Address: _____

Phone #: _____

Fax #: _____

Name of Franchisee/Depositor (please print)

By: _____

Signature and Title of Authorized Representative

DATE: _____

ATTACHMENT 4 TO FRANCHISE AGREEMENT

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this "Guaranty") is executed by the undersigned person(s) (each, a "Guarantor") in favor of GTN Capital Group LLC, a Connecticut limited liability company ("GTN").

Background Statement: _____ ("Franchisee") desires to enter into a Franchise Agreement with GTN for the franchise of a NerdsToGo location ("Location") (the "Franchise Agreement"; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce GTN to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to GTN and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to GTN, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and GTN upon demand from GTN. Guarantor waives (a) acceptance and notice of acceptance by GTN of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that GTN make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other Guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other Guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by GTN for maintaining confidentiality, (b) disclose such information to Franchisee's employees only to the extent necessary for the operation of the Location, (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by GTN, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the Term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of

Confidential Information. Guarantor acknowledges that all Confidential Information is owned by GTN or its affiliates (except for Confidential Information which GTN licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to GTN. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the Term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two (2) years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any Competitor located within five (5) miles of Franchisee's Territory or the territory of any other NerdsToGo franchise operating on the date of termination or transfer, as applicable.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of GTN. Guarantor agrees that the existence of any claim it or Franchisee may have against GTN shall not constitute a defense to the enforcement by GTN of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of non-compliance.

4. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which GTN may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Texas (without giving effect to its principles of conflicts of law). The parties agree that any Texas law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 6. The provisions of Section 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to GTN all costs incurred by GTN (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

EXHIBIT C

RIDER TO LEASE AGREEMENT

Landlord: _____

Notice Address: _____

Telephone: _____

Tenant: _____

Leased Premises: _____

Franchisor: GTN Capital Group LLC

Notice Address: 2542 Highlander Way,

Carrollton, TX 75006

Telephone: 1-800-390-NERD

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a NerdsToGo franchise (or any name authorized by Franchisor).

2. Notice of Default and Opportunity to Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within ten (10) days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within fifteen (15) days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any Guarantor of liability under the Lease. If Franchisor becomes the lessee of the Leased Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the NerdsToGo brand.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination of the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, Marks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D

FORM OF GENERAL RELEASE

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release (“Release”) is executed by the undersigned (“Releasor”) in favor of GTN Capital Group LLC, a Connecticut limited liability company (“GTN”).

Background Statement: *[describe circumstances of Release]*

Releasor agrees as follows:

- 1. Release.** Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the “Releasing Parties”)) hereby releases GTN, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the “Released Parties”) from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, “Claims”).
- 2. Covenant Not to Sue.** Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.
- 3. Representations and Acknowledgments.** Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor’s choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.
- 4. Miscellaneous.** If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that GTN reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

5. State Addenda.

[Maryland Residents]: This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[Washington Residents]: A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the franchise agreement is in effect and where the parties are represented by independent counsel.

Agreed to by:

Name: _____
Date: _____

EXHIBIT E
FINANCIAL STATEMENTS

**THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT.
PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED
THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR
EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.**

FASTSIGNS International, Inc.**Balance Sheets**

	(Unaudited) October 31 2020	(Audited) December 31 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 7,443,064	\$ 6,756,983
Accounts receivable - net	5,569,520	3,368,209
Current portion of notes receivable - net	-	147,806
Amounts due from affiliates	1,550,995	331,417
Prepaid expenses	1,094,945	1,858,598
Other current assets	425,279	432,368
Total current assets	16,083,803	12,895,381
Fixed assets - net	1,227,076	985,398
Goodwill	17,832,876	17,832,876
Notes receivable, less current portion - net	340,489	155,175
Deferred income taxes	936,640	936,648
Other assets	2,298,608	2,298,608
Total assets	\$ 38,719,492	\$ 35,104,085
Liabilities and Members' Equity		
Current liabilities		
Accounts payable	\$ 837,538	\$ 1,165,275
Accrued liabilities	2,279,031	3,184,120
Deferred revenue	882,913	402,126
Income tax payable	2,375,435	4,104,812
Total current liabilities	6,374,917	8,856,333
Deferred Revenue - less current portion	4,074,532	4,074,532
Shareholder's equity		
Common stock, \$1.00 par value	1,000	1,000
Authorized and issued - 1,000 shares		
Additional paid-in capital	34,519,768	25,897,295
Retained earnings	90,947,303	81,646,668
Receivable from parent company	(97,198,029)	(85,371,743)
Total shareholder's equity	28,270,043	22,173,220
Total liabilities and shareholder's equity	\$ 38,719,492	\$ 35,104,085

FASTSIGNS International, Inc.
Statements of Income

	(Unaudited) 2020	(Unaudited) 2019
<i>For the period ended October 31,</i>		
Revenues		
Franchise sales	\$ 1,261,156	\$ 1,066,116
Royalties	24,620,631	25,239,500
Other revenue	731,072	631,606
Total revenues	26,612,860	26,937,222
Costs and expenses		
Cost of Goods Sold	471,028	667,674
Selling, general, and administrative	10,362,295	10,465,852
Depreciation	293,718	245,580
Total costs and expenses	11,127,041	11,379,105
Operating Income	15,485,818	15,558,117
Other income (expense)		
Interest income	1,796	-
Loss (Gain) on foreign currency exchange	20,439	4,188
Loss (Gain) on disposal of fixed assets	(100)	(4,000)
Total other expense	22,135	188
Income before taxes	15,463,684	15,557,929
Income tax expense	143,690	630,815
Net income	\$ 15,319,994	\$ 14,927,114

FASTSIGNS International, Inc.

Financial Statements

**As of and for the years ended December 31, 2019
and 2018**

FASTSIGNS International, Inc.

Financial Statements

As of and for the years ended December 31, 2019 and 2018

FASTSIGNS International, Inc.

Contents

Independent Auditor's Report	3
Financial Statements:	
Balance Sheets	4
Statements of Income	6
Statements of Changes in Shareholder's Equity	7
Statements of Cash Flows	8
Notes to Financial Statements	9



Independent Auditor's Report

Board of Directors
FASTSIGNS International, Inc.

We have audited the accompanying financial statements of FASTSIGNS International, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2019 and 2018, the related statements of income, changes in shareholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FASTSIGNS International, Inc. as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 2 to the financial statements, the Company has changed its accounting policy related to revenue from contracts with customers on a full retrospective approach due to the adoption of Accounting Standards Codification Topic 606, *Revenue From Contracts With Customers*. Our opinion is not modified with respect to this matter.

BDO USA LLP

Dallas, Texas
April 20, 2020

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

FASTSIGNS International, Inc.

Balance Sheets

<i>As of December 31,</i>	2019	2018
		(as adjusted)
Assets		
Current assets		
Cash and cash equivalents	\$ 6,756,983	\$ 1,536,861
Accounts receivable - net	3,368,209	3,154,905
Current portion of notes receivable - net	147,806	153,457
Amounts due from affiliates	331,417	342,820
Prepaid expenses	1,858,598	1,137,004
Other current assets	432,368	391,679
Total current assets	12,895,381	6,716,726
Fixed assets - net	985,398	826,772
Goodwill	17,832,876	17,592,876
Notes receivable, less current portion - net	155,175	106,083
Deferred income taxes	936,648	993,437
Other assets	2,298,607	1,984,939
Total assets	\$ 35,104,085	\$ 28,220,833

FASTSIGNS International, Inc.

Balance Sheets (continued)

<i>As of December 31,</i>	2019	2018
		(as adjusted)
Liabilities and Shareholder's Equity		
Current liabilities		
Accounts payable	\$ 1,165,275	\$ 736,855
Accrued liabilities	3,184,120	2,766,705
Deferred revenue	402,126	245,610
Income tax payable	4,104,812	1,777,598
Total current liabilities	8,856,333	5,526,768
Deferred revenue - less current portion	4,074,532	3,751,776
Commitments and Contingencies (Note 5)		
Shareholder's equity		
Common stock, \$1.00 par value		
Authorized and issued - 1,000 shares	1,000	1,000
Additional paid-in capital	25,897,295	25,600,264
Retained earnings	81,646,668	68,104,521
Receivable from parent company	(85,371,743)	(74,763,496)
Total shareholder's equity	22,173,220	18,942,289
Total liabilities and shareholder's equity	\$ 35,104,085	\$ 28,220,833

See accompanying notes to financial statements.

FASTSIGNS International, Inc.

Statements of Income

<i>For the years ended December 31,</i>	2019	2018
		(as adjusted)
Revenues		
Franchise sales	\$ 1,409,738	\$ 1,502,628
Royalties	29,945,593	27,729,786
Other revenue	1,779,523	1,642,405
Total revenues	33,134,854	30,874,819
Costs and expenses		
Costs of good sold	959,023	1,009,725
Selling, general, and administrative	13,740,011	12,813,711
Depreciation	293,241	268,539
Total costs and expenses	14,992,275	14,091,975
Operating income	18,142,579	16,782,844
Other income (expense)		
Interest income	5,100	18,239
Other income	-	5,480
Loss on foreign currency exchange	(16,813)	(44,378)
Gain on disposal of fixed assets	4,000	6,608
Total other expense	(7,713)	(14,051)
Income before taxes	18,134,866	16,768,793
Income tax expense	4,592,719	4,013,494
Net income	\$ 13,542,147	\$ 12,755,299

See accompanying notes to financial statements.

FASTSIGNS International, Inc.
Statements of Changes in Shareholder's Equity

	Common stock		Additional paid-in capital	Retained earnings	Receivable from parent company	Total
	Shares	Amount				
Balance at December 31, 2017	1,000	\$ 1,000	\$ 25,392,735	\$ 58,326,734	\$ (65,630,109)	\$ 18,090,360
Adoption of ASC 606	-	-	-	(2,977,512)	-	(2,977,512)
Net advances to Parent Company	-	-	-	-	(9,133,387)	(9,133,387)
Share-based compensation	-	-	207,529	-	-	207,529
Net income (as adjusted)	-	-	-	12,755,299	-	12,755,299
Balance at December 31, 2018	1,000	\$ 1,000	\$ 25,600,264	\$ 68,104,521	\$ (74,763,496)	\$ 18,942,289
Net advances to Parent Company	-	-	-	-	(10,608,247)	(10,608,247)
Share-based compensation	-	-	297,031	-	-	297,031
Net income	-	-	-	13,542,147	-	13,542,147
Balance at December 31, 2019	1,000	\$ 1,000	\$ 25,897,295	\$ 81,646,668	\$ (85,371,743)	\$ 22,173,220

See accompanying notes to financial statements.

FASTSIGNS International, Inc.

Statements of Cash Flows

For the years ended December 31,	2019	2018
		(as adjusted)
Operating activities		
Net income	\$ 13,542,147	\$ 12,755,299
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debt expense	17,147	24,186
Depreciation	293,241	268,539
Share-based compensation	297,031	207,529
Gain on disposal of fixed assets	(4,000)	(6,608)
Deferred income taxes	(183,921)	(74,115)
Changes in operating assets and liabilities:		
Accounts and notes receivable- net	(273,892)	(167,750)
Amount due to (from) affiliate	11,403	(77,115)
Prepaid expenses	(721,594)	201,290
Other assets	(354,357)	(69,193)
Income taxes payable	2,567,925	(3,403,899)
Accounts payable	428,420	(130,452)
Accrued liabilities	417,414	(403,730)
Deferred revenue	479,272	196,870
Net cash provided by operating activities	16,516,236	9,320,851
Investing activities		
Capital expenditures	(447,867)	(183,371)
Acquisition of a business	(240,000)	-
Net cash used in investing activities	(687,867)	(183,371)
Financing activities		
Net advances to Parent	(10,608,247)	(9,133,387)
Net cash used in financing activities	(10,608,247)	(9,133,387)
Net increase in cash and cash equivalents	5,220,122	4,093
Cash and cash equivalents at beginning of year	1,536,861	1,532,768
Cash and cash equivalents at end of year	\$ 6,756,983	\$ 1,536,861
Supplemental disclosure		
Cash paid for income taxes	\$ 605,402	\$ 1,968,457

See accompanying notes to financial statements.

FASTSIGNS International, Inc.

Notes to Financial Statements

1. Organization

FASTSIGNS International Inc. ("FII" or the "Company") sells franchises for the operation of B2B business establishments known as FASTSIGNS Centers. The Company franchises directly in the United States, Canada, the United Kingdom and Grand Cayman. The franchises operate primarily in the United States. In addition, the Company sells and supports master or area franchises in Australia, United Arab Emirates, Chile, France, Malta and Spain. The FASTSIGNS franchise business specializes in selling, marketing, producing and installing visual communications including signs (both non-electrical and electrical), graphics, banners, flags, vehicle graphics, vehicle wraps, wayfinding signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, exhibits and displays, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format and grand format), advertising and promotional products (including wearables), electronic or digital signage, logo/artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services. As of December 31, 2019, there were 726 franchised locations in operation, both nationally and internationally.

On March 13, 2019, Fastsigns Holdings, Inc. ("Holdings" or "Parent"), acquired all of the outstanding shares of the former parent of the Company, Display Holding Company Inc. Holdings was incorporated on February 8, 2019 for the purpose of acquiring Display Holding Company Inc. and its subsidiaries. These financial statements do not include adjustments for push-down accounting as a result of the sale of the Company's former parent which was completed on March 13, 2019.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed in the preparation of these financial statements.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Company maintains cash in financial institutions, which at times may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk on such accounts. At December 31, 2019 and 2018, cash and cash equivalents includes \$126,960 and \$102,104, respectively, held in foreign bank accounts.

Financial Instruments

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of accounts and notes receivable related to royalties owed by franchisees. Credit risks with respect to royalty receivables are limited due to the large number of franchisees comprising the Company's franchisee base. The Company performs ongoing evaluations of the franchisees' financial condition and maintains allowances for potential credit losses which, when incurred, have been within the range of management expectations.

Accounts Receivable

Accounts receivable consist primarily of royalty billings to franchisees and are due within 30 days. Accounts receivable are stated at amounts net of an allowance for doubtful accounts. In order to estimate and assess the collectability of accounts receivable, the Company monitors the current creditworthiness of each franchisee and analyzes the aging of related past due balances. The

FASTSIGNS International, Inc.

Notes to Financial Statements

allowance requirements are based on current facts, and the estimates are reevaluated and adjusted as additional information is obtained. Accounts receivable are written off through the allowance account when it is determined the receivable will not be collected. Accounts receivable may also be converted to notes receivable due from franchisees at the discretion of the Company.

Changes in the Company's allowance for doubtful accounts for the years ended December 31 are as follows:

	2019	2018
Beginning balance	\$ 270,087	\$ 271,959
Bad debt expense, net of recoveries	17,147	24,186
Write-offs	(96,414)	(26,058)
Ending balance	\$ 190,820	\$ 270,087

Notes Receivable

Notes receivable are due from franchisees and bear interest at rates per annum ranging from 6% to 10%. The notes are generally secured by the assets of the related FASTSIGNS stores. The allowance for notes receivable was \$10,214 and \$14,457 as of December 31, 2019 and 2018, respectively.

FII has a Master Franchising Agreement with Ideal Signs Pty Ltd ("Ideal Signs"). Ideal Signs serves as the Master Franchisor in Australia and incurs all expenses and liabilities associated with franchises located in Australia. Ideal Signs pays the Company a 2% royalty percentage in accordance with the Master Franchising Agreement, and has a note with FII with a balance of \$175,100 and \$203,363 as of December 31, 2019 and 2018, respectively.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is determined using the straight-line method over the shorter of the term of the lease or the estimated useful lives of the assets for financial reporting purposes. Maintenance and repairs are charged to expense as incurred.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the tangible and intangible net assets acquired. The Company evaluates goodwill for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized when the carrying amount of goodwill exceeds its fair value. If it is determined that impairment has occurred, the goodwill is written down to its estimated net realizable value. No impairment was determined to have occurred during 2019 and 2018.

On December 12, 2019, the Company entered into an agreement to acquire Sign Me Up Signs & Advertising, a franchisor with six locations throughout Long Island and one in New Jersey, for \$240,000.

Income Taxes

The Company and Holding file a consolidated Federal tax return. The financial statements have been prepared as if the Company was a stand-alone tax payer.

FASTSIGNS International, Inc.

Notes to Financial Statements

Deferred tax assets and liabilities are determined based on differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company accounts for uncertain tax provisions using a two-step process. The Company first determines whether it is more-likely-than-not that a tax position will be sustained upon examination. If a tax position meets the more-likely-than-not threshold it is then measured to determine the amount of expense to record in the financial statements. The tax position is measured as the largest amount of expense with a greater than 50 percent likelihood of being realized upon ultimate settlement. Penalties and interest incurred are recognized in income tax expense.

Revenue Recognition

The Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update 2014-09, "Revenue from Contracts with Customers (Topic 606)" and all subsequent ASUs that modified Topic 606. The new guidance clarifies the principles used to recognize revenue for all entities and requires companies to recognize revenue when it transfers goods or services to a customer in an amount that reflects the consideration to which a company expects to be entitled. The Company elected to apply the full retrospective method of adoption, which required the Company to adjust prior reporting periods presented. The Company's transition to Topic 606 represents a change in accounting principle.

The Company's revenues consist of royalties based on a percent of sales, initial franchise and sub-franchise fees, re-sale transfer fees, and renewal franchise fees, included in franchise sales, and equipment package sales and the sale of initial supplies and inventory, included in other revenue. Some franchises are master franchise arrangements with development rights across a defined territory or multiple territories. Typical agreements governing the franchise relationship range from 10 to 20 years in length, whereby the initial franchise and transfer fees are typically collected upon agreement execution and prior to the start of the Company's performance obligations.

ASC 606 provides that revenues are to be recognized when control of the promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services. The Company has defined its distinct and non-distinct performance obligations required under the terms of the various contracts. The Company believes that portions of certain Pre-Opening Services, the initial training and site selection and development services, benefit the Franchisee without its use of the license and are therefore considered distinct performance obligations separable from the franchise right. Performance obligations for initial training and site selection and development services are generally satisfied as of the opening date for a franchise center. To allocate the initial franchise and transfer fees to the associated performance obligations, the Company used an expected cost plus a margin approach to determine the amount of the initial franchise or transfer fee identified with the distinct portion of the initial training and site selection and development services. This total distinct amount is recognized upfront and the remaining non-distinct portion of the total franchise fee is allocated to symbolic intellectual property and recognized over the agreement term starting from the opening date of the franchise center. Due to the immaterial nature of renewal franchise fees, they are recognized upon agreement execution. Certain franchise agreements may also include a financing component, but the Company has determined that the total interest amount related to these franchise agreements is immaterial to its financial statements. Pre-Opening Services revenues from equipment package sales and the sale of initial supplies and inventory are recognized based on the gross sales price of the underlying equipment, supplies and inventory upon delivery. The Company currently contracts

FASTSIGNS International, Inc.

Notes to Financial Statements

with a third party to fulfill these performance obligations on its behalf and has determined that the Company is acting as a principal in these transactions due primarily to its assumption of inventory and credit risk. Previously, the costs associated with these revenues were netted against related revenues.

Implementation of the new standard does not change the timing of recognition of royalties from centers operated by franchisees or licensed to affiliates and developmental licensees. Royalties are based on a percent of sales that is typically 3% of gross sales for the first year of operations and 6% of gross sales thereafter and are recognized at the time the underlying center's sales occur. The Company also provides a sliding scale rebate of royalties based on a center's annual gross sales volume achieved that is recognized monthly based on current estimates of the center's annual expected gross sales volume. As stated above, implementation of the new standard does change the timing in which the Company recognizes initial fees and transfer fees from franchisees for new center openings by recognizing only a portion of such fees upfront. The Company's accounting policy through December 31, 2018 was to recognize the entire amount of the initial franchise fees and transfer fees upon new center openings and at the start of new franchise terms.

To secure new franchises, the Company uses its sales force, and in certain instances, third party brokers to obtain leads for new franchise arrangements. The costs for internal sales commissions and third-party broker fees are amortized over the agreement term of each respective contract starting from the opening date of the franchise center. Previously, these costs were recognized upon the opening date of the franchise center.

The Company also enters into master franchise arrangements. For these arrangements, the previous accounting policy was to recognize the initial territory fee upon completion of training with additional revenue recognized upon sub-franchisee center openings. With the adoption of ASC 606, the Company allocated a portion of training costs that have been identified as distinct to be recognized upon completion of the training. The remaining portion of the total franchise fee is allocated to symbolic intellectual property and recognized over the agreement term starting from the completion of training. In cases where there are multiple territories defined for a master franchisee, the amortization of the symbolic intellectual property begins with the opening of the first center within that territory and is recognized over the agreement term. Recognition of royalty revenue related to master franchise agreements is unchanged from prior practice.

A cumulative catch up adjustment was recognized as of January 1, 2018 in order to show comparable data for all periods presented. The cumulative adjustment recorded as of January 1, 2018 consisted of deferred revenue of approximately \$(0.4) million within short-term liabilities, deferred revenue of approximately \$(2.0) million within long-term liabilities, prepaid commissions and broker fees of approximately \$0.2 million within short-term assets, prepaid commissions and broker fees of approximately \$1.8 million within long-term assets, and approximately \$(2.6) million of associated adjustments to the deferred tax and tax payable balances.

At December 31, 2019, balance sheet balances related to ASC 606 consisted of short-term deferred revenue \$0.4 million, long-term deferred revenue \$4.1 million, short-term prepaid commissions and broker fees \$1.9 million and long-term prepaid commissions and broker fees \$2.3 million.

FASTSIGNS International, Inc.

Notes to Financial Statements

Advertising Costs

The Company expenses the costs of advertising when incurred. Advertising expense was \$720,738 and \$759,412 for the years ended December 31, 2019 and 2018, respectively.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Accounting for Share-Based Compensation

In accordance with FASB Accounting Standards Codification ("ASC") 718, *Compensation - Stock Compensation*, the Company measures all share-based payments to employees, including employee stock options, at their grant-date fair values and recognizes the fair value as compensation expense in the applicable periods. See Note 8 for further information.

Contingencies

Various legal actions and claims which have arisen in the normal course of business may be pending against the Company from time to time. It is the opinion of management, based on consultation with counsel, that the ultimate resolution of these contingencies will not have a material effect on the financial condition, results of operations or liquidity of the Company.

Fair Value of Financial Instruments

In accordance with FASB ASC 820 *Fair Value Measurements*, certain assets and liabilities are carried at fair value and are categorized based on the level of judgment associated with the inputs used to measure their fair value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 - Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument's anticipated life.

Level 3 - Inputs are unobservable and therefore reflect management's best estimate of the assumptions that market participants would use in pricing the asset or liability.

The Company believes the carrying amounts of financial instruments as of December 31, 2019 and 2018, including cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to their short maturities. The Company's notes receivable bear interest at market rates and management does not believe there has been a change in the franchisees' credit quality from the date of issuance. Thus, management believes their carrying amounts approximate fair value (Level 2).

FASTSIGNS International, Inc.

Notes to Financial Statements

Recent Accounting Pronouncements

In January 2017, the FASB issued ASU 2017-04, Intangibles - Goodwill and Other, which simplifies the test for goodwill impairment by removing the second step of the two-step impairment test. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. All other goodwill impairment guidance will remain largely unchanged. Entities will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary. The same one-step impairment test will be applied to goodwill at all reporting units, even those with zero or negative carrying amounts. Entities will be required to disclose the amount of goodwill at reporting units with zero or negative carrying amounts. For nonpublic entities, the standard is effective for annual periods beginning after December 15, 2022 with early application permitted for tests performed after January 1, 2017. The Company is currently evaluating the impact this guidance will have on its financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in ASU 2016-02 (as subsequently amended by ASU 2018-01, ASU 2018-10, ASU 2018-11 and ASU 2018-20) requires that a lessee recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. As with previous guidance, there continues to be a differentiation between finance leases and operating leases, however this distinction now primarily relates to differences in the manner of expense recognition over time and in the classification of lease payments in the statement of cash flows. Lease assets and liabilities arising from both finance and operating leases will be recognized in the statement of financial position. ASU 2016-02 leaves the accounting for leases by lessors largely unchanged from previous GAAP. The transitional guidance for adopting the requirements of ASU 2016-02 calls for a modified retrospective approach that includes a number of optional practical expedients that entities may elect to apply. In addition, ASU 2018-11 provides for an additional (and optional) transition method by which entities may elect to initially apply the transition requirements in Topic 842 at that Topic's effective date with the effects of initially applying Topic 842 recognized as a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption and without retrospective application to any comparative prior periods presented. Also, ASU 2018-20 provides certain narrow-scope improvements to Topic 842 as it relates to lessors. The ASU is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company is currently evaluating the impact this guidance will have on its financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments - Credit Losses ("ASU 2018-19"), which clarifies that receivables arising from operating leases are accounted for using lease guidance and not as financial instruments. In April 2019, the FASB issued ASU No. 2019-04, Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments ("ASU 2019-04"), which clarifies the treatment of certain credit losses. In May 2019, the FASB issued ASU No. 2019-05, Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief ("ASU 2019-05"), which provides an option to irrevocably elect to measure certain individual financial assets at fair value instead of amortized cost. In November 2019, the FASB issued ASU No. 2019-11, Codification Improvements to

FASTSIGNS International, Inc.

Notes to Financial Statements

Topic 326, Financial Instruments - Credit Losses ("ASU 2019-11"), which provides guidance around how to report expected recoveries. ASU 2016-13, ASU 2018-19, ASU 2019-04, ASU 2019-05 and ASU 2019-11 (collectively, "ASC 326") are effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The Company is currently evaluating the impact this guidance will have on its financial statements.

In December 2019, the FASB released ASU 2019-12, Income Tax (Topic 740): Simplifying the Accounting for Income Taxes, which affects general principles within Topic 740, Income Taxes. The amendments of ASU 2019-12 are meant to simplify and reduce the cost of accounting for income taxes. The FASB has stated that the ASU is being issued as part of its Simplification Initiative, which is meant to reduce complexity in accounting standards by improving certain areas of GAAP without compromising information provided to users of financial statements. The standard is effective for annual periods beginning after December 15, 2021 with early adoption permitted. The Company is currently evaluating the impact this guidance will have on its financial statements.

3. Receivable From Parent Company

The receivable from the parent company is unsecured, bears no interest and is due on demand. The receivable is presented as a reduction of shareholder's equity.

4. Fixed Assets

Fixed assets consist of the following at December 31:

	2019	2018
Furniture and equipment (3-5 years)	\$ 4,318,569	\$ 3,886,327
Leasehold improvements (life of lease)	1,291,328	1,271,703
Total fixed assets	5,609,897	5,158,030
Less: accumulated depreciation	(4,624,499)	(4,331,258)
Fixed assets, net	\$ 985,398	\$ 826,772

The furniture and equipment have an expected life of three to five years, and leasehold improvements are amortized over the shorter of the life of the lease or the useful life of the assets. Depreciation expense was \$293,241 and \$268,539 for the years ended December 31, 2019 and 2018, respectively.

The Company reviews the carrying value of fixed assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as other economic factors. No impairment was recognized in 2019 or 2018.

FASTSIGNS International, Inc.

Notes to Financial Statements

5. Commitments

Operating Leases

The Company leases office space and training facilities under various noncancelable operating lease agreements. Rent expense under these and other leases was \$327,998 and \$320,385 for the years ended December 31, 2019 and 2018, respectively. The future minimum payments under the agreements are as follows:

Years ending December 31:

2020	\$	330,093
2021		333,394
2022		336,728
2023		84,391
	\$	1,084,606

6. Income Taxes

On December 22, 2018, the United States government enacted the Tax Cuts and Jobs Act, commonly referred to as the Tax Reform Act. The Tax Reform Act includes significant changes to the U.S. income tax system including but not limited to: a federal corporate rate reduction from 35% to 21%; limitations on the deductibility of interest expense; and full expensing provisions related to business use assets.

Beginning January 1, 2019, the U.S. corporate income tax rate will be 21%. The Company is required to recognize the impacts of this rate change on its deferred tax assets and liabilities in the period enacted. The Company evaluated those changes and recorded a provisional decrease to net deferred tax assets of \$328,758 with a corresponding increase to deferred tax expense for the year ended December 2018. The accounting for the enactment of the Tax Reform Act is complete as of December 31, 2019. No material adjustments were recorded.

The expense (benefit) for income taxes consists of the following for the years ended December 31:

	2019	2018
Current		
Federal	\$ 3,830,398	\$ 3,224,588
State	773,318	707,012
Foreign	172,924	156,009
Total current	4,776,640	4,087,609
Deferred:		
Federal	(148,715)	(59,928)
State	(35,206)	(14,187)
Total deferred	(183,921)	(74,115)
Income tax expense	\$ 4,592,719	\$ 4,013,494

FASTSIGNS International, Inc.

Notes to Financial Statements

The tax effect of temporary differences that gave rise to deferred tax assets and liabilities consist of the following as of December 31:

	2019	2018
Deferred tax assets		
Allowance for doubtful accounts	\$ 49,559	\$ 69,660
Accrued compensation	162,113	133,347
Share-based compensation	77,143	240,717
Deferred rent	41,768	51,720
Deferred revenue	424,766	334,497
Charitable contributions	104	-
ASC 606 adjustments	336,708	284,048
Total deferred tax assets	1,092,161	1,113,989
Deferred tax liabilities:		
SignMeUp goodwill tax amortization	(346)	-
Intangible assets	6,007	10,013
Prepaid expenses	(518)	(24,958)
Depreciation	(160,656)	(105,607)
Total deferred tax liabilities	(155,513)	(120,552)
Net deferred tax assets	\$ 936,648	\$ 993,437

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before taxes primarily due to state tax obligations, permanently non-deductible expenses, a permanent deduction for foreign derived intangible income introduced with the Tax Reform Act, provision for uncertain tax positions and true ups to prior period estimates. The Company files income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. As of December 31, 2019 and 2018, the Company has accrued approximately \$911,000 and \$769,000, respectively, to reserve for uncertain tax positions. As of December 31, 2019 and 2018, the reserve for uncertain tax positions is inclusive of penalties and interest of approximately \$417,000 and \$345,000, respectively. During 2018, the Company settled approximately \$105,000 of the liability related to uncertain tax positions in Kentucky and Tennessee.

7. Related Party Transactions

FII performs certain bookkeeping and administrative services for and allocates facility and supply resources to an advertising cooperative. Amounts reimbursed at cost related to these services were \$892,672 and \$863,254 in 2019 and 2018, respectively. For both 2019 and 2018, FII earned royalty revenue of 6% of the advertising cooperative's sales to parties other than FASTSIGNS franchises (the national accounts program or National). Royalty revenue earned from the cooperative under the National was \$538,040 and \$313,519 in 2019 and 2018, respectively. This advertising cooperative is for the sole benefit of the FASTSIGNS franchisees. Amounts receivable from the advertising cooperative were \$331,011 and \$342,820 at December 31, 2019 and 2018, respectively.

FASTSIGNS International, Inc.

Notes to Financial Statements

8. Share-Based Compensation

The former parent maintained a share-based payment plan ("Stock Option Plan") established October 14, 2014, for the benefit of employees of the Company. The Company has allotted a total of 8,376 shares to be issued under the Stock Option Plan. Option grants have a contractual life of ten years, subject to certain conditions, and typically vest over 5 years based upon service and financial based thresholds. 20% of the service-based options typically vest each year over a five year period, and of the financial performance-based options, 20% are subject to vesting each year.

In September of 2018, the Company adjusted the strike price for current shares from \$1,082.73 to \$884.25.

In 2018, the Parent issued 430 shares under the Stock Option Plan to a new participant. However, these shares were forfeited later in the year.

In 2019, the Stock Option Plan was terminated due to the change of control of the then parent company. Holdings created a replacement share-based payment plan ("2019 Stock Option Plan") established August 1, 2019, for the benefit of employees of the Company. The Company has allotted a total of 23,281 shares to be issued under the 2019 Stock Option Plan. Option grants have a contractual life of ten years, subject to certain conditions, and typically vest over 5 years with half based upon service and half based upon financial thresholds. 20% of the service-based options typically vest each year over a five year period, and the financial performance-based options are subject to vesting upon a change of control.

FASTSIGNS International, Inc.

Notes to Financial Statements

Information with respect to options under these plans is as follows:

	Outstanding Options	Weighted Average Exercise Price
Total options outstanding, January 1, 2018	7,732	\$ 613.10
Issued	430	1,722.51
Exercised	-	-
Forfeited	430	1,722.51
Total options outstanding, December 31, 2018	7,732	\$ 613.10
Options vested and exercisable, December 31, 2018	1,847	613.10
	Outstanding Options	Weighted Average Exercise Price
Issued	20,723	1,000.00
Exercised	-	-
Forfeited	7,732	613.10
Total options outstanding, December 31, 2019	20,273	\$ 1,000.00
Options vested and exercisable, December 31, 2019	-	\$ -

The weighted-average exercise price and average remaining contractual life of the 20,273 options outstanding at December 31, 2019 was \$1,000.00 and 9.6 years. The weighted-average exercise price and average remaining contractual life of the 7,732 options outstanding at December 31, 2018 was \$613.10 and 6.78 years. As of December 31, 2019, no options were vested and at December 31, 2018, approximately 1,847 options had vested.

The estimated fair value of options is amortized to compensation expense on the straight-line basis over the options' vesting period. The compensation cost for share-based employee compensation was \$297,031 and \$207,529 for the years ended December 31, 2019 and 2018, respectively.

Expected amortization for the subsequent years ending December 31 is as follows:

Years ending December 31	
2020	\$ 718,553
2021	718,553
2022	718,553
2023	718,553
2024	421,522
Total amortization	\$ 3,295,734

FASTSIGNS International, Inc.

Notes to Financial Statements

9. Employee Benefit Plan

FII has a defined contribution plan structured under Section 401(k) of the Internal Revenue Code. Under the plan, contributions are made by eligible employees. The employees can elect to contribute up to 20% of their salary or \$19,000 and \$18,500 in 2019 and 2018, respectively. FII matches 25% of the first 6% of contributions in the amount of \$69,378 and \$47,272 in 2019 and 2018, respectively

The Company currently offers no other postretirement or postemployment benefits to its employees.

10. Subsequent Events

The Company evaluated subsequent events through April 20, 2020, the date the financial statements were available to be issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements, except as noted below.

Beginning in January 2020, there has been an outbreak of the Coronavirus Disease 2019 (“COVID-19” or “virus”), which has been declared a “pandemic” by the World Health Organization. As of the date of these financial statements, the Company’s stores are considered essential businesses and the majority of the system’s stores are still open and operational, subject to regulated or reduced store hours. The length and severity of the COVID-19 pandemic, along with the financial impact from COVID-10 on the Company, if any, cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts the Company’s results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to contain the virus or treat its impact, among others.

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

It also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

The Company continues to examine the impact that the CARES Act may have on its business. Currently, the Company is unable to determine the impact that the CARES Act will have on its financial condition, results of operation, or liquidity.

FASTSIGNS International, Inc.

Financial Statements

**As of and for the years ended December 31, 2018
and 2017**

FASTSIGNS International, Inc.

Financial Statements

As of and for the years ended December 31, 2018 and 2017

FASTSIGNS International, Inc.

Contents

Independent Auditor's Report	3
Financial Statements:	
Balance Sheets	4
Statements of Income	6
Statements of Changes in Shareholder's Equity	7
Statements of Cash Flows	8
Notes to Financial Statements	9



Tel: 214-969-7007
Fax: 214-953-0722
www.bdo.com

600 North Pearl, Suite 1700
Dallas, TX 75201

Independent Auditor's Report

Board of Directors
FASTSIGNS International, Inc.

We have audited the accompanying financial statements of FASTSIGNS International, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2018 and 2017, the related statements of income, changes in shareholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FASTSIGNS International, Inc. as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA LLP

Dallas, Texas
April 23, 2019

FASTSIGNS International, Inc.

Balance Sheets

<i>As of December 31,</i>	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$ 1,536,861	\$ 1,532,768
Accounts receivable - net	3,154,905	2,932,136
Current portion of notes receivable - net	153,457	183,417
Amounts due from affiliates	342,820	265,705
Prepaid expenses	1,227,943	1,338,293
Other current assets	391,679	287,782
Total current assets	6,807,665	6,540,101
Fixed assets - net	826,772	905,332
Goodwill	17,592,876	17,592,876
Notes receivable, less current portion - net	106,083	155,330
Deferred income taxes	709,389	754,957
Other assets	14,493	14,494
Total assets	\$ 26,057,278	\$ 25,963,090

FASTSIGNS International, Inc.

Balance Sheets (continued)

<i>As of December 31,</i>	2018	2017
Liabilities and Shareholder's Equity		
Current liabilities		
Accounts payable	\$ 736,854	\$ 867,306
Accrued liabilities	2,766,705	3,170,434
Deferred revenue	1,118,295	1,420,970
Income tax payable	1,777,598	2,414,020
Total current liabilities	6,399,452	7,872,730
Commitments and Contingencies (Note 5)		
Shareholder's equity		
Common stock, \$1.00 par value		
Authorized and issued - 1,000 shares	1,000	1,000
Additional paid-in capital	25,600,264	25,392,735
Retained earnings	71,423,174	58,326,734
Receivable from parent company	(77,366,612)	(65,630,109)
Total shareholder's equity	19,657,826	18,090,360
Total liabilities and shareholder's equity	\$ 26,057,278	\$ 25,963,090

See accompanying notes to financial statements.

FASTSIGNS International, Inc.

Statements of Income

<i>For the years ended December 31,</i>	2018	2017
Revenues		
Franchise sales	\$ 2,157,710	\$ 2,103,147
Royalties	27,729,785	26,139,275
Other revenue	632,679	696,550
Total revenues	30,520,174	28,938,972
Costs and expenses		
Selling, general, and administrative	13,007,970	13,140,210
Depreciation and amortization	268,539	300,860
Total costs and expenses	13,276,509	13,441,070
Operating income	17,243,665	15,497,902
Other income (expense)		
Interest income	18,239	18,648
Other income	5,480	-
Gain (loss) on foreign currency exchange	(44,378)	956
Gain on disposal of fixed assets	6,608	847
Total other income (expense)	(14,051)	20,451
Income before taxes	17,229,614	15,518,353
Income tax expense	4,133,174	6,115,709
Net income	\$ 13,096,440	\$ 9,402,644

See accompanying notes to financial statements.

FASTSIGNS International, Inc.

Statements of Changes in Shareholder's Equity

	Common stock		Additional paid-in capital		Retained earnings		Receivable from parent company		Total
	Shares	Amount							
Balance at December 31, 2016	1,000	\$ 1,000	\$ 25,195,729	\$	48,924,090	\$	(58,970,244)	\$	15,150,575
Net advances to Parent Company	-	-	-	-	-	-	(6,659,865)	-	(6,659,865)
Share-based compensation	-	-	197,006	-	-	-	-	-	197,006
Net income	-	-	-	-	9,402,644	-	-	-	9,402,644
Balance at December 31, 2017	1,000	\$ 1,000	\$ 25,392,735	\$	58,326,734	\$	(65,630,109)	\$	18,090,360
Net advances to Parent Company	-	-	-	-	-	-	(11,736,503)	-	(11,736,503)
Share-based compensation	-	-	207,529	-	-	-	-	-	207,529
Net income	-	-	-	-	13,096,440	-	-	-	13,096,440
Balance at December 31, 2018	1,000	\$ 1,000	\$ 25,600,264	\$	71,423,174	\$	(77,366,612)	\$	19,657,826

See accompanying notes to financial statements.

FASTSIGNS International, Inc.

Statements of Cash Flows

For the years ended December 31,	2018	2017
Operating activities		
Net income	\$ 13,096,440	\$ 9,402,644
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debt expense	24,186	75,645
Depreciation and amortization	268,539	300,860
Share-based compensation	207,529	197,006
Gain on disposal of fixed assets	(6,608)	(847)
Deferred income taxes	45,568	448,654
Changes in operating assets and liabilities:		
Accounts and notes receivable- net	(167,748)	28,442
Amount due to/from affiliate	(77,115)	6,734
Prepaid expenses	110,350	73,869
Other assets	(103,896)	(250,715)
Income taxes payable	(636,421)	(3,604,499)
Accounts payable	(130,452)	182,343
Accrued liabilities	(403,730)	182,490
Deferred revenue	(302,675)	(46,344)
Net cash provided by operating activities	11,923,967	6,996,282
Investing activities		
Capital expenditures	(183,371)	(352,865)
Net cash used in investing activities	(183,371)	(352,865)
Financing activities		
Net advances to Parent	(11,736,503)	(6,659,865)
Net cash used in financing activities	(11,736,503)	(6,659,865)
Net increase (decrease) in cash and cash equivalents	4,093	(16,448)
Cash and cash equivalents at beginning of year	1,532,768	1,549,216
Cash and cash equivalents at end of year	\$ 1,536,861	\$ 1,532,768
Supplemental disclosure		
Cash paid for income taxes	\$ 1,968,457	\$ 3,822,838

See accompanying notes to financial statements.

FASTSIGNS International, Inc.

Notes to Financial Statements

1. Organization

FASTSIGNS International Inc. ("FII" or the "Company") sells franchises for the operation of B2B business establishments known as FASTSIGNS Centers. The Company franchises directly in the United States, Canada, the United Kingdom and Grand Cayman. The franchises operate primarily in the United States. In addition, the Company sells and supports master or area franchises in Australia, Mexico, Saudi Arabia, United Arab Emirates, Chile, Malta and Spain. The FASTSIGNS franchise business specializes in selling, marketing, producing and installing visual communications including signs (both non-electrical and electrical), graphics, banners, flags, vehicle graphics, vehicle wraps, wayfinding signage, compliance signs, dimensional letters, dimensional signage, ready-to-apply lettering, exhibits and displays, decals and labels, exhibits, trade show and other displays, digital imaging, printing (including small format, large format and grand format), advertising and promotional products (including wearables), electronic or digital signage, logo/artwork design and illustration, product wraps and other related graphics, marketing services and complementary products and services. As of December 31, 2018, there were 701 franchised locations in operation, both nationally and internationally.

Display Holding Company Inc., a Delaware corporation ("Holding" or "Parent"), was incorporated on June 26, 2014 for the purpose of acquiring Fastsigns Holdings Corporation ("FHC"). On July 22, 2014, Holding acquired all of the outstanding shares of FHC, which wholly owned all of the outstanding stock of Saldon Holdings, Inc. ("Saldon") and FII.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed in the preparation of these financial statements.

Basis of Presentation/Principles of Consolidation

These financial statements were prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). All intercompany accounts and the effects of intercompany activity have been eliminated in consolidation. These financial statements do not include adjustments for push-down accounting as a result of the sale of the Company's former parent which was completed on June 26, 2014.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Company maintains cash in financial institutions, which at times may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk on such accounts. At December 31, 2018 and 2017, cash and cash equivalents includes \$102,104 and \$34,539, respectively, held in foreign bank accounts.

Financial Instruments

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of accounts and notes receivable related to royalties owed by franchisees. Credit risks with respect to royalty receivables are limited due to the large number of franchisees comprising the Company's franchisee base. The Company performs ongoing evaluations of the franchisees' financial condition and maintains allowances for potential credit losses which, when incurred, have been within the range of management expectations.

FASTSIGNS International, Inc.

Notes to Financial Statements

Accounts Receivable

Accounts receivable consist primarily of royalty billings to franchisees and are due within 30 days. Accounts receivable are stated at amounts net of an allowance for doubtful accounts. In order to estimate and assess the collectability of accounts receivable, the Company monitors the current creditworthiness of each franchisee and analyzes the aging of related past due balances. The allowance requirements are based on current facts, and the estimates are reevaluated and adjusted as additional information is obtained. Accounts receivable are written off through the allowance account when it is determined the receivable will not be collected. Accounts receivable may also be converted to notes receivable due from franchisees at the discretion of the Company.

Changes in the Company's allowance for doubtful accounts for the years ended December 31 are as follows:

		2018		2017
Beginning balance	\$	271,959	\$	207,193
Bad debt expense, net of recoveries		24,186		75,645
Write-offs		(26,058)		(10,879)
Ending balance	\$	270,087	\$	271,959

Notes Receivable

Notes receivable are due from franchisees and bear interest at rates per annum ranging from 6% to 10%. The notes are generally secured by the assets of the related FASTSIGNS stores. The allowance for notes receivable was \$14,457 and \$38,941 as of December 31, 2018 and 2017, respectively.

FII has a Master Franchising Agreement with Ideal Signs Pty Ltd ("Ideal Signs"). Ideal Signs serves as the Master Franchisor in Australia and incurs all expenses and liabilities associated with franchises located in Australia. Ideal Signs pays the Company a 2% royalty percentage in accordance with the Master Franchising Agreement, and has a note with FII with a balance of \$203,363 as of December 31, 2018.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is determined using the straight-line method over the shorter of the term of the lease or the estimated useful lives of the assets for financial reporting purposes. Maintenance and repairs are charged to expense as incurred.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the tangible and intangible net assets acquired. The Company evaluates goodwill for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized when the carrying amount of goodwill exceeds its fair value. If it is determined that impairment has occurred, the goodwill is written down to its estimated net realizable value. No impairment was determined to have occurred during 2018 and 2017.

FASTSIGNS International, Inc.

Notes to Financial Statements

Income Taxes

The Company and Holding file a consolidated Federal tax return. The financial statements have been prepared as if the Company was a stand-alone tax payer.

Deferred tax assets and liabilities are determined based on differences between the financial reporting and income tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company accounts for uncertain tax provisions using a two-step process. The Company first determines whether it is more-likely-than-not that a tax position will be sustained upon examination. If a tax position meets the more-likely-than-not threshold it is then measured to determine the amount of expense to record in the financial statements. The tax position is measured as the largest amount of expense with a greater than 50 percent likelihood of being realized upon ultimate settlement. Penalties and interest incurred are recognized in income tax expense.

Revenue Recognition

Royalty revenue is recognized based upon the reporting of gross sales to the Company by franchisees. Franchise agreements entered into during 2017 and 2018 specify that royalty fees paid by franchisees are based upon 3% of gross sales for the first year of operations, and 6% of gross sales thereafter in almost all cases.

The Company recognizes revenue from sales of franchises when the Company substantially completes its obligations under the franchise agreement. Amounts received from the franchisees prior to completion of its obligations under the franchise agreement are recorded as deferred revenue.

FII may grant the right to operate FASTSIGNS stores in a specific geographic territory. FII granted the right to operate SIGNWAVE stores in a specific geographic territory. The fee for this right is deferred and recognized as revenue ratably as stores within the territory are opened.

Training fees are recognized as revenue once the training seminar has been completed.

Advertising Costs

The Company expenses the costs of advertising when incurred. Advertising expense was \$759,412 and \$591,161 for the years ended December 31, 2018 and 2017, respectively.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Accounting for Share-Based Compensation

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 718, *Compensation - Stock Compensation*, the Company measures all share-based payments to employees, including employee stock options, at their grant-date fair values and

FASTSIGNS International, Inc.

Notes to Financial Statements

recognizes the fair value as compensation expense in the applicable periods. See Note 8 for further information.

Contingencies

Various legal actions and claims which have arisen in the normal course of business may be pending against the Company from time to time. It is the opinion of management, based on consultation with counsel, that the ultimate resolution of these contingencies will not have a material effect on the financial condition, results of operations or liquidity of the Company.

Fair Value of Financial Instruments

In accordance with FASB ASC 820 *Fair Value Measurements*, certain assets and liabilities are carried at fair value and are categorized based on the level of judgment associated with the inputs used to measure their fair value. The standard establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 - Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date for the duration of the instrument's anticipated life.

Level 3 - Inputs are unobservable and therefore reflect management's best estimate of the assumptions that market participants would use in pricing the asset or liability.

The Company believes the carrying amounts of financial instruments as of December 31, 2018 and 2017, including cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to their short maturities. The Company's notes receivable bear interest at market rates and management does not believe there has been a change in the franchisees' credit quality from the date of issuance. Thus, management believes their carrying amounts approximate fair value (Level 2).

Recent Accounting Pronouncements

In January 2017, the FASB issued Accounting Standards Update ("ASU") No. 2017-01, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"), which removes Step 2 of the goodwill impairment test. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. All other goodwill impairment guidance will remain largely unchanged. Entities will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary. The same one-step impairment test will be applied to goodwill at all reporting units, even those with zero or negative carrying amounts. Entities will be required to disclose the amount of goodwill at reporting units with zero or negative carrying amounts. ASU 2017-04 is effective for annual periods beginning after December 15, 2021 for nonpublic entities with early application permitted for the tests performed after January 1, 2017. The Company does not expect the adoption of this guidance to have a material impact on its financial statements.

In August 2016, the FASB issued ASU No. 2017-15, *Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"), which aims to eliminate diversity in practice in how certain cash receipts

FASTSIGNS International, Inc.

Notes to Financial Statements

and cash payments are presented and classified in the statement of cash flows under Topic 230, Statement of Cash Flows, and other Topics. ASU 2016-15 is effective for annual reporting periods beginning after December 15, 2018. The Company does not expect the adoption of this guidance to have a material impact on its financial statements.

In February of 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires entities to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. This standard offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The standard is effective for annual reporting periods beginning after December 15, 2019. The Company is in the process of evaluating the future impact of this standard on its financial position, results of operations and cash flows.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*. In August, 2015 the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers* (Topic 606): *Deferral of the Effective Date* which amended ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) to defer the effective date of ASU No. 2014-09 for all entities by one year. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of goods to customers in an amount that reflects the consideration to which the entity expects in exchange for those goods. To achieve that core principle, an entity should apply the following steps:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The standard is effective for the Company for annual reporting periods beginning after December 15, 2018, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting this standard recognized at the date of adoption (which includes additional footnote disclosures). Early application is permitted for annual reporting periods beginning after December 15, 2018. Management is currently evaluating the impact of the Company's adoption of this standard on the Company's financial statements and has determined to use the modified retrospective method by which the Company will adopt the standard in 2019.

3. Receivable From Parent Company

The receivable from the parent company is unsecured, bears no interest and is due on demand. The receivable is presented as a reduction of shareholder's equity.

FASTSIGNS International, Inc.

Notes to Financial Statements

4. Fixed Assets

Fixed assets consist of the following at December 31:

	2018	2017
Furniture and equipment (3-5 years)	\$ 3,886,327	\$ 3,702,460
Leasehold improvements (life of lease)	1,271,703	1,265,591
Total fixed assets	5,158,030	4,968,051
Less: accumulated depreciation and amortization	(4,331,258)	(4,062,719)
Fixed assets, net	\$ 826,772	\$ 905,332

The furniture and equipment have an expected life of three to five years, and leasehold improvements are amortized over the shorter of the life of the lease or the useful life of the assets. Depreciation and amortization expense was \$268,539 and \$300,860 for the years ended December 31, 2018 and 2017, respectively.

The Company reviews the carrying value of fixed assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as other economic factors. No impairment was recognized in 2018 or 2017.

5. Commitments

Operating Leases

The Company leases office space and training facilities under various non-cancelable operating lease agreements. Rent expense under these and other leases was \$320,385 and \$508,871 for the years ended December 31, 2018 and 2017, respectively. The future minimum payments under the agreements are as follows:

Years ending December 31:		
2019	\$	326,825
2020		330,093
2021		333,394
2022		336,728
2023		84,391
	\$	1,411,431

FASTSIGNS International, Inc.

Notes to Financial Statements

6. Income Taxes

On December 22, 2017, the United States government enacted the Tax Cuts and Jobs Act, commonly referred to as the Tax Reform Act. The Tax Reform Act included significant changes to the U.S. income tax system including but not limited to: a federal corporate rate reduction from 35% to 21%; limitations on the deductibility of interest expense; and full expensing provisions related to business use assets. Beginning January 1, 2018, the U.S. corporate income tax rate was 21%. The Company was required to recognize the impacts of this rate change on its deferred tax assets and liabilities in the period enacted. The Company evaluated those changes and recorded a provisional decrease to net deferred tax assets of \$328,758 with a corresponding increase to deferred tax expense for the year ended December 2017. The accounting for the enactment of the Tax Reform Act is complete as of December 31, 2018. No material adjustments were recorded.

The expense for income taxes consists of the following for the years ended December 31:

	2018	2017
Current		
Federal	\$ 3,224,588	\$ 4,971,588
State	707,012	553,281
Foreign	156,006	142,186
Total current	4,087,606	5,667,055
Deferred:		
Federal	36,845	430,357
State	8,723	18,297
Total deferred	45,568	448,654
Income tax expense	\$ 4,133,174	\$ 6,115,709

FASTSIGNS International, Inc.

Notes to Financial Statements

The tax effect of temporary differences that gave rise to deferred tax assets and liabilities consist of the following as of December 31:

	2018	2017
Deferred tax assets		
Allowance for doubtful accounts	\$ 69,660	\$ 70,632
Accrued compensation	133,347	208,754
Share-based compensation	240,717	186,818
Deferred rent	51,720	61,678
Deferred revenue	334,496	364,974
Total deferred tax assets	829,940	892,856
Deferred tax liabilities:		
Intangible assets	10,013	14,018
Prepaid expenses	(24,957)	(25,050)
Depreciation	(105,607)	(126,867)
Total deferred tax liabilities	(120,551)	(137,899)
Net deferred tax assets	\$ 709,389	\$ 754,957

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before taxes primarily due to state tax obligations, permanently non-deductible expenses, a permanent deduction for foreign derived intangible income introduced with the Tax Reform Act, provision for uncertain tax positions and true ups to prior period estimates.

The Company files income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. As of December 31, 2018 and 2017, the Company has accrued approximately \$769,000 and \$732,000, respectively, to reserve for uncertain tax positions. As of December 31, 2018 and 2017, the reserve for uncertain tax positions is inclusive of penalties and interest of approximately \$345,000 and \$321,000, respectively. During 2018, the Company settled approximately \$105,000 of the liability related to uncertain tax positions in Kentucky and Tennessee. During 2017, the Company settled approximately \$95,000 of the liability related to uncertain tax positions in Virginia.

7. Related Party Transactions

FII performs certain bookkeeping and administrative services for and allocates facility and supply resources to an advertising cooperative. Amounts reimbursed at cost related to these services were \$863,254 and \$625,695 in 2018 and 2017, respectively. For both 2018 and 2017, FII earned royalty revenue of 6% of the advertising cooperative's sales to parties other than FASTSIGNS franchises (the national accounts program or National). Royalty revenue earned from the cooperative under the National was \$313,519 and \$263,105 in 2018 and 2017, respectively. This advertising cooperative is for the sole benefit of the FASTSIGNS franchisees. Amounts receivable from the advertising cooperative were \$342,820 and \$265,705 at December 31, 2018 and 2017, respectively.

FASTSIGNS International, Inc.

Notes to Financial Statements

8. Share-Based Compensation

The Company maintains a share-based payment plan ("Stock Option Plan") established October 14, 2014, for the benefit of employees of the Company. The Company has allotted a total of 8,376 shares to be issued under the Stock Option Plan. Option grants have a contractual life of ten years, subject to certain conditions, and typically vest over 5 years based upon service and financial based thresholds. 20% of the service-based options typically vest each year over a five year period, and of the financial performance-based options, 20% are subject to vesting each year.

In February 2016, the Parent allotted an additional 215 shares to be issued under the Stock Option Plan. Option grants have a contractual life of ten years, subject to certain conditions, and typically vest over 5 years based upon service and financial based thresholds. Service-based options typically vest 20% each year over a five year period.

In 2017, there was a forfeiture of 859 shares to be issued under the Stock Option Plan due to a participant in the Stock Option Plan leaving the Company. In September of 2017, the Company adjusted the strike price for current shares from \$803.83 to \$605.35 and \$1,082.73 to \$884.25 respectively.

In 2018, the Parent issued 430 shares under the Stock Option Plan to a new participant. However, these shares were forfeited later in the year.

Information with respect to options under these plans is as follows:

	Outstanding Options	Weighted Average Exercise Price
Total options outstanding, January 1, 2017	8,591	\$ 810.81
Issued	-	-
Exercised	-	-
Forfeited	859	803.83
Total options outstanding, December 31, 2017	7,732	\$ 613.10
Issued	430	-
Exercised	-	-
Forfeited	430	613.10
Total options outstanding, December 31, 2018	7,732	\$ 613.10
Options vested and exercisable, December 31, 2018	1,847	\$ 613.10

The weighted-average exercise price and average remaining contractual life of the 7,732 options outstanding at December 31, 2018 and 2017 was \$613.10 and 6.78, respectively. As of December 31, 2018 and 2017 approximately 1,805 options had vested.

The estimated fair value of options is amortized to compensation expense on the straight-line basis over the options' vesting period. The compensation cost for share-based employee compensation was \$207,529 and \$197,006 for the years ended December 31, 2018 and 2017, respectively.

FASTSIGNS International, Inc.

Notes to Financial Statements

Expected amortization for the subsequent years ending December 31 is as follows:

Years ending December 31		
2019	\$	154,653
Total amortization	\$	154,653

9. Employee Benefit Plan

FII has a defined contribution plan structured under Section 401(k) of the Internal Revenue Code. Under the plan, contributions are made by eligible employees. The employees can elect to contribute up to 20% of their salary or \$18,500 and \$18,000 in 2018 and 2017, respectively. FII matches 25% of the first 6% of contributions in the amount of \$47,272 and \$63,235 in 2018 and 2017, respectively

The Company currently offers no other postretirement or postemployment benefits to its employees.

10. Subsequent Events

Fastsigns Holdings Inc. ("FSH"), a Delaware Corporation, was incorporated on February 8, 2019 for the purpose of acquiring Holdings. On March 13, 2019, FSH acquired all the outstanding shares of Holdings in an acquisition accounted for as a business combination. The Company has not yet completed the valuation of the assets acquired and liabilities assumed under ASC Topic 805.

The Company evaluated its December 31, 2018 financial statements for subsequent events through April 23, 2019, which is the date the financials were available to be issued.

EXHIBIT F

OPERATING MANUAL TABLE OF CONTENTS

Section	# of Pages
Preface	11
A. Introduction	11
B. Establishing a NerdsToGo Business	36
C. Personnel	48
D. Office Procedures	28
E. Service Procedures	5
F. Selling NerdsToGo Services	28
G. NerdVan Branding	11
H. Merchant Account Integration	26
I. Goal Setting	12
J. Customer Service	10
K. Training	14
L. Financial Procedures	20
Total # of Pages	260

EXHIBIT G

CURRENT AND FORMER FRANCHISEES

Current Franchisees

Names of all current franchisees (as of December 31, 2019) and the address and telephone number of each of their outlets:

Tim Adams	933 Cook Ave NW, Huntsville, AL 35801	256-429-2501
Claire Huspeni	10841 S. Crossroads Dr., Suite 112, Parker, CO 80134	303-835-6612
Michael Varnadore	19651 Bruce B. Downs Blvd, Tampa, FL 33647	813-321-1700
Jon Routledge & John Cello	9148 Bonita Beach Road, Suite 203, Bonita Springs, FL 34135	239-949-2311
Walt Brown	13295 Britton Park Rd, Fishers, IN 46038	317-563-6435
Kevin Martin	203 East Central St, Franklin, MA 02038	617-752-3246
John Danahey	63 Tremont St, Unit A, Taunton, MA 02780	339-970-3556
Angel Soto	3380 E Russell Rd, Suite 111, Las Vegas, NV 89120	702-608-8365
Bud Gay	190 Munsonhurst Rd, Suite 5, Franklin, NJ 07416	973-241-3060
Paul Blanchette	6628 Heath Glen Drive, Charlotte, NC 28227	704-560-5890
Steve Garcia	10002 Royal Colony Drive, Waxhaw, NC 28173	704-558-3050
Nicole Ruderman & Tricia Jones	18 Lafayette Road, Unit 6, North Hampton, NH 03862	605-758-6585
Eric Nelson	609 S Chester Rd, Swarthmore, PA 19081	610-703-5067
Rory & John Dunnaback	11049 SE Main St, Milwaukie, OR 97222	503-276-4818
Thomas & Earl Freeman	28120 US Hwy 281 North, Suite 101A, San Antonio, TX 78260	210-819-4836
Jason Goen	515 W. Campbell Rd, Richardson, TX 75080	972-349-0206
Tim Smith	3115 S. Cooper St, Suite 300, Arlington, TX 76015	817-856-2875
Tony Modaro	25311 Kingsland Blvd, Suite 100, Katy, TX 77494	281-371-6689
Vicki & Ronny Dale	2030 Glade Rd, #264, Grapevine, TX 76051	682-244-2664
Woody Huffines	6405 Eldorado Parkway, McKinney, TX 75070	469-325-3912
David Alcorn	903FM 518 Suite J, Kemah, TX 77565	281-721-9422
Chuck Kleindienst	11038 Air Park Rd, Ashland, VA 23005	804-339-4217
Michael Santiago	11639 NE 8th St, Bellevue, WA 98005	425-366-8234

Franchise Agreements Signed but Outlets Not Yet Open as of December 31, 2019:

Jeremy Blair / David Blair	527 10th Avenue, Unit 506	San Diego	California	92101
Paul Rataj	2955 Champion Way #59	Tustin	California	92782
Hans Flueck	236 Jane Briggs Avenue	Lexington	Kentucky	40509

Former Franchisees as of December 31, 2019

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

None.

The following is a list of franchisees that left the franchise system after the fiscal year end of December 31, 2019:

Joann & Erik Flees	Rockwall, TX	469-609-8498
Tim Adams* (Tennessee Territory)	Huntsville, AL	256-429-2501
Bob Kem	Davenport, IA	563-744-5113

*Tim Adams still operates an outlet in Alabama. Mr. Adams unit in Tennessee never opened.

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

EXHIBIT H

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of California only, this Disclosure Document is amended as follows:

1. The following paragraph is added at the end of Item 3 of the Disclosure Document:

Except as disclosed above, neither we nor any person identified in Item 2 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, 15 U.S.C.A. Section 78a et seq., suspending or expelling such person from membership in such association or exchange.

2. 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 DISCLOSURE DOCUMENT.

3. OUR WEBSITE, a www.nerdstogo.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

4. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

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

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

Material Modification. California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document,

approved by the Department of Business Oversight, prior to a solicitation of a proposed material modification of an existing franchise.

Covenant not to Compete. 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.

Arbitration. The Franchise Agreement requires binding arbitration. The arbitration will occur at a suitable location in Dallas County, Texas with the costs being borne as the arbitrator determines. 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 provision of the Franchise Agreement restricting venue to a forum outside the State of California.

Releases. The Franchise Agreement requires you to sign 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 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

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

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

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

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: _____
2. A proposed registration or filing is or will be shortly on file in the following states: _____
3. No states have refused, by order or otherwise to register these franchises.
4. No states have revoked or suspended the right to offer these franchises.
5. The proposed registration of these franchises has not been withdrawn in any state.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

Illinois law governs the agreements between the parties to this franchise.

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

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

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

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

1. The “Summary” sections of Items 17(c), entitled **Requirements for franchisee to renew or extend**, and 17(m), entitled **Conditions for franchisor approval of transfer**, of the Disclosure Document are amended by adding the following:

Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The “Summary” section of Item 17(h), entitled **“Cause” defined – non-curable defaults**, of the Disclosure Document, is amended by adding the following:

The agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce it to the extent the law allows.

3. The “Summary” section of Item 17(v), entitled **Choice of Forum**, of the Disclosure Document is amended by adding the following:

Subject to the Federal Arbitration Act and other federal laws, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The “Summary” section of Item 17(w), entitled **Choice of law**, of the Disclosure Document, is amended by adding the following:

Except as otherwise required by applicable law for claims arising under the Maryland Franchise Registration and Disclosure Law, the Franchise Agreement is to be interpreted and construed under Texas law (except for Texas choice of law rules).

5. The following language is added to the end of Item 17 of the Disclosure Document:

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

MICHIGAN

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

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

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

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

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

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

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

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

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

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

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

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

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

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

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

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

1. The following language is added to the end of Item 13:

To the extent required by Minnesota Stat. Sec. 80C.12, Subd. 1(g), we will protect your right to use the Marks and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

2. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota. Those provisions also provide that no condition, stipulations or provision in the Franchise Agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by the Minnesota Franchises Law.

Minn. Rule Part 2860.4400J might prohibit a franchisee from waiving rights to a jury trial; waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction; or consenting to liquidated damages, termination penalties or judgment notes. However, we and you will enforce these provisions in our Franchise Agreement to the extent the law allows.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

1. The following information is added to the State Cover Page of the Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY New York STATE DOES NOT MEAN THAT New York STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTMENT PROTECTION BUREAU, 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.

2 The following paragraphs are added at the beginning of Item 3 of the Disclosure Document:

Except as provided below, neither we, any predecessor, any person identified in Item 2, nor an affiliate offering franchises under our principal Mark:

(a) has an administrative, criminal, or civil action pending against us, it, him, or her alleging a felony; a violation of a franchise, antitrust, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.

(b) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable allegations.

(c) 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, as a result of a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association.

3. The following paragraph is added at the beginning of Item 4 of the Disclosure Document:

Except as described below, neither we nor any of our affiliates, predecessors, or officers identified in Item 2 have, during the 10-year period immediately preceding the date of the Disclosure Document: (a) filed as debtor (or had filed against us, it, him, or her) a petition to start an action under the

U.S. Bankruptcy Code or any foreign bankruptcy code; (b) obtained a discharge of our, its, his, or her debts under the U.S. Bankruptcy Code or any foreign 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 any foreign bankruptcy code or that obtained a discharge of its debts under the U.S. Bankruptcy Code or any foreign bankruptcy code during or within 1 year after the officer or general partner held this position in the company or partnership.

4. The following is added at the end of Item 5 of the Disclosure Document:

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

5. The “Summary” sections of Items 17(c), entitled **Requirements for franchisee to renew or extend**, and 17(m), entitled **Conditions for franchisor approval of transfer**, of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

, provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it is the intent of this

provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

6. The “Summary” section of Item 17(d), entitled **Termination by franchisee**, of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

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

7. The “Summary” section of Item 17(j), entitled **Assignment of contract by franchisor**, of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

However, to the extent required by applicable law, we will not make an assignment except to an assignee that, in our good faith judgment, is willing and able to assume our obligations under the agreement.

8. The “Summary” sections of Items 17(v), entitled **Choice of forum**, and 17(w), entitled **Choice of law**, of the Franchise Agreement chart in the Disclosure Document, are amended by adding the following:

This choice of law and forum should not be considered a waiver of any right conferred upon you by Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

1. The “Summary” sections of Items 17(c), entitled **Requirements for the franchisee to renew or extend**, and 17(m), entitled **Conditions for franchisor approval of the transfer**, of the Franchise Agreement and Development Agreement charts in the Disclosure Document, are amended by adding the following:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The “Summary” sections of Item 17(i), entitled **Franchisee’s obligations on termination/non-renewal**, of the Franchise Agreement and Development Agreement charts in the Disclosure Document, is amended by adding the following:

The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.

3. The “Summary” sections of Item 17(u), entitled **Dispute resolution by arbitration or mediation**, of the Franchise Agreement and Development Agreement charts in the Disclosure Document, is amended by adding the following:

However, to the extent required by the North Dakota Franchise Investment Law (unless preempted by the Federal Arbitration Act), the arbitration will be at a site to which we and you mutually agree.

4. The “Summary” sections of Item 17(v), entitled **Choice of Forum**, of the Franchise Agreement and Development Agreement charts in the Disclosure Document is amended by adding the following:

To the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. The “Summary” sections of Item 17(w), entitled **Choice of law**, of the Franchise Agreement and Development Agreement charts in the Disclosure Document is amended by adding the following:

Except for the Federal Arbitration Act and other federal law, North Dakota law governs.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the State of Rhode Island Franchise Investment Act (the "Act"), §19-28.1 *et seq.*, the Franchise Disclosure Document submitted by FASTSIGNS International, Inc. for use in the State of Rhode Island is amended as follows:

1. Item 17 u.- Dispute resolution by arbitration or mediation shall comply with §19-28.1-21 of the Act - Private civil actions - and be amended to read:

(a.) A person who violates any provision of this Act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§ 19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation.

(b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.

2. Item 17 v. - Choice of forum and Item 17 w. - Choice of law shall comply with § 19-28.1-14 of the Act - Jurisdiction and venue - and be amended to read:

A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the “Summary” section of Item 17(h), entitled **“Cause” defined – non-curable defaults**, is amended by adding the following:

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.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

The following paragraph is added at the end of Item 17:

If any of the provisions in this disclosure document or the Franchise Agreement are inconsistent with the relationship provisions of Revised Code of Washington Section 19.100.180 or any other requirements of the Washington Franchise Investment Protection Act (the “Act”), then (if the Act applies by its terms) the provisions of the Act will prevail over the inconsistent terms of the disclosure document and/or Franchise Agreement for any franchises sold in Washington. However, we and you agree to enforce the Franchise Agreement’s provisions to the extent the law allows.

EXHIBIT I

STATE ADDENDA TO FRANCHISE AGREEMENT

CALIFORNIA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the "Agreement"), between GTN Capital Group LLC, a Connecticut limited liability company ("GTN") and _____, a _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Fee Deferral. The franchise fee referred to in Section 4.1 of the Agreement and all other pre-opening fees to be paid by Franchisee to GTN, including payments for goods and services before the Business opens are deferred until GTN has satisfied all of its pre-opening obligations to Franchisee.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GTN CAPITAL GROUP LLC

By: _____

Name: _____

Title: _____

Date: _____

HAWAII RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between GTN Capital Group LLC, a Connecticut limited liability company (“GTN”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Fee Deferral. The franchise fee referred to in Section 4.1 of the Agreement and all other pre-opening fees to be paid by Franchisee to GTN, including payments for goods and services before the Business opens are deferred until GTN has satisfied all of its pre-opening obligations to Franchisee.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GTN CAPITAL GROUP LLC

By: _____

Name: _____

Title: _____

Date: _____

**RIDER TO THE GTN CAPITAL GROUP, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

This Rider (the “Rider”) is made and entered into as of the Effective Date as stated in the Franchise Agreement (defined below), by and between GTN Capital Group LLC, a Connecticut limited liability company (“GTN”) and _____, a _____ (“Franchisee”).

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed at the same time as the signing of this Rider (the “**Franchise Agreement**”). This Rider is part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the CENTER that you will operate under the Franchise Agreement was made in the State of Illinois and the CENTER will be located in Illinois, and/or (b) you are a resident of Illinois.

2. The following language is added to the end of the Franchise Agreement:

The provisions of the Franchise Agreement concerning governing law, jurisdiction, venue and choice of law will not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act. However, a Franchise Agreement may provide for arbitration outside of Illinois.

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

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GTN CAPITAL GROUP LLC

By: _____

Name: _____

Title: _____

Date: _____

INDIANA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between GTN Capital Group LLC, a Connecticut limited liability company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the Franchisor or sources designated by the Franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the Franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the Franchisor does not constitute designation of a source nor does a reasonable right of the Franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the Franchisor.

(2) Allowing the Franchisor to establish a Franchisor-owned outlet engaged in a substantially identical business to that of the Franchisee within the exclusive territory granted the Franchisee by the Agreement; or, if no exclusive territory is designated, permitting the Franchisor to compete unfairly with the Franchisee within a reasonable area.

(3) Allowing substantial modification of the Agreement by the Franchisor without the consent in writing of the franchisee.

(4) Allowing the Franchisor to obtain money, goods, services, or any other benefit from any other person with whom the Franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the Franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act 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 Subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the Franchisor which the Franchisee had ordered for private retail consumers prior to the Franchisee's receipt of an official

price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this Subsection (6).

(7) Permitting unilateral termination of the Agreement if such termination is without good cause or in bad faith. Good cause within the meaning of this Subsection (7) includes any material violation of the Agreement.

(8) Permitting the franchisor to fail to renew franchise agreement without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the Franchisee meets certain conditions specified in the Agreement.

(9) Requiring a Franchisee to covenant not to compete with the Franchisor for a period longer than three years or in an area greater than the exclusive area granted by the Agreement or, in absence of such a provision in the Agreement, an area of reasonable size, upon termination of or failure to renew the Agreement.

(10) Limiting litigation brought for breach of the Agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the Agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the Franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GTN CAPITAL GROUP LLC

By: _____

Name: _____

Title: _____

Date: _____

**AMENDMENT TO GTN CAPITAL GROUP, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

The GTN Capital Group, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and GTN Capital Group, LLC (“Franchisor”) (“Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”) as of the date signed by us and set forth opposite our signature on this Amendment:

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Any representations requiring Franchisee to assent to a release, estoppels or waiver of any liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise and Disclosure Law.
- b. Franchisee may bring an arbitration action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- c. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- d. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, are satisfied with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GTN CAPITAL GROUP LLC

By: _____

Name: _____

Title: _____

Date: _____

**AMENDMENT TO GTN CAPITAL GROUP, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The GTN Capital Group, LLC Franchise Agreement between _____
_____ (“Franchisee” or “You”) and GTN Capital Group, LLC (“Franchisor”) (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement as of the date signed by us and set forth opposite our signature on this Amendment (the “Amendment”):

MINNESOTA LAW MODIFICATIONS

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the Proprietary Marks infringes trademark rights of the third party. Franchisor does not indemnify against the consequences of Franchisee’s use of the Proprietary Marks except in accordance with the requirements of the Franchisor Agreement, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim within ten (10) days after the earlier of (i) actual notice of the claim or (ii) receipt of written notice of the claim, and must therein tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim. If the Franchise Agreement contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement shall be superseded by the Act’s requirements and shall have no force or effect.
- b. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement.

- c If the Franchisee is required in the Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.
- d Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor, except in certain specified cases, from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes 1984, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2 Each provision of this Franchise Agreement shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3 IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GTN CAPITAL GROUP LLC

By: _____

Name: _____

Title: _____

Date: _____

**AMENDMENT TO GTN CAPITAL GROUP, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

The GTN Capital Group, LLC Franchise Agreement between _____
_____ (“Franchisee” or “You”) and GTN Capital Group, LLC (“Franchisor”) (“Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”) as of the date signed by us and set forth opposite our signature on this Amendment:

1. **Background.** We and you are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the CENTER that you will operate under the Franchise Agreement was made in the State of New York, and/or (b) you are a resident of New York and will operate the Location in New York.

2. **Releases.** The following language is added to the end of Sections 12.C(8) and
13.C of the Franchise Agreement:

However, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and
687.5 are satisfied.

3. **Transfer by Us.** The following language is added to the end of Section 12.A of the Franchise Agreement:

However, to the extent required by applicable law, no assignment will be made except to an assignee that, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **Termination by You.** The following language is added to the end of
Section
12.B of the Franchise Agreement:

You may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **Governing Law and Consent to Jurisdiction.** The following language is added to the end of Sections 17.F and 17.G of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

6. **Limitation of Claims.** The following language is added to the end of Section 17.J of the Franchise Agreement:

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

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GTN CAPITAL GROUP LLC

By: _____

Name: _____

Title: _____

Date: _____

**AMENDMENT TO GTN CAPITAL GROUP, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

The GTN Capital Group, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and GTN Capital Group, LLC (“Franchisor”) (“Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”) as of the date signed by us and set forth opposite our signature on this Amendment:

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchises Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under North Dakota Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If this Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under North Dakota Law.
- d. If the Agreement requires that it be governed by a state’s law, other than

the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.

- e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.
- f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under North Dakota Law.
- g. If required by the North Dakota Franchise Investment Law, Section 17.H of the Agreement, Dispute Resolution, shall be deleted in its entirety.
- h. Section 17.J of the Agreement, Limitation of Claims, shall have the sentence "The statute of limitations under North Dakota law applies." added to the end of the section as if it were an original part of the Agreement.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

GTN CAPITAL GROUP LLC

By: _____
Name: _____
Title: _____
Date: _____

**AMENDMENT TO GTN CAPITAL GROUP, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND**

The GTN Capital Group, LLC Franchise Agreement between _____ (“Franchisee” or “You”) and GTN Capital Group, LLC (“Franchisor”) (“Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”) as of the date signed by us and set forth opposite our signature on this Amendment:

RHODE ISLAND LAW MODIFICATIONS

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law. Ch. 395 Sec. 19-28.1-1 -19-28.1-34. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void under Rhode Island Franchise Investment Act Sec. 19-28.1-14.
- b. If this Agreement requires that it is governed by a state’s law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Sec. 19-28.1-14.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on the dates noted below, to be effective as of the Effective Date.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GTN CAPITAL GROUP LLC

By: _____

Name: _____

Title: _____

Date: _____

VIRGINIA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between GTN Capital Group LLC, a Connecticut limited liability company (“GTN”) and _____, a _____ (“Franchisee”).

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.
2. **Fee Deferral.** The franchise fee referred to in Section 4.1 of the Agreement and all other initial fees to be paid by Franchisee to GTN are deferred until GTN has satisfied all of its pre-opening obligations to Franchisee under the Agreement.
3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GTN CAPITAL GROUP LLC

By: _____

Name: _____

Title: _____

Date: _____

**AMENDMENT TO GTN CAPITAL GROUP
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON**

The GTN Capital Group, LLC Franchise Agreement between _____ (“Franchisee” or “you”) and GTN Capital Group, LLC (“Franchisor”) (“Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”) as of the date signed by us and set forth opposite our signature on this Amendment:

1. **Background.** Franchisor and you are parties to that certain Agreement that has been signed at the same time as the signing of this Rider (the “**Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) the Location that you will operate under the Agreement will be located in Washington; and/or (b) you are a resident of Washington; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

2. **Addition of Paragraphs.** The following is added to the end of the Agreement:

In recognition of the requirements by the Washington Franchise Investment Protection Act and the Rules and Regulations promulgated thereunder (the “**Act**”), the Agreement shall be modified as follows:

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

RCW 19.100.180 may supersede the Agreement in your relationship with the Franchisor including the areas of termination and renewal of Franchisee’s Agreement. There may also be court decisions which may supersede the Agreement in your relationship with the Franchisor including the areas of termination and renewal of Franchisee’s Agreement.

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which

unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

Pursuant to RCW 49.62.020, a non-competition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a non-competition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Agreement or elsewhere that conflict with these limitations is void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Agreement or elsewhere are void and unenforceable in Washington.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Washington law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee acknowledges that it has read, and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the dates noted below, to be effective as of the Effective Date.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

GTN CAPITAL GROUP LLC

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT J

INFORMATION ABOUT AREA REPRESENTATIVES

California – Northern California

LKH Enterprises LLC

Steve LeClair – Mr. LeClair has been a Franchise Developer through LKH Enterprises LLC in El Dorado Hills, California since May 2017. He has also been CEO and Owner of LeClair Fitness in El Dorado Hills, California and other locations since March 2014.

Sean Hansen - Mr. Hansen has been a Franchise Developer through LKH Enterprises LLC in El Dorado Hills, California, since May 2017. He has been an Area Representative and Franchise Developer for WaveMAX Laundry in El Dorado Hills, California since November 2016. Mr. Hansen was a Director for Kiefer Consulting, Inc. in Folsom, California from August 2011 to July 2017.

Texas

Elvin Lee Caraway, III – President, N2G Development, LLC. Mr. Caraway has been an Area Representative through N2G Development, LLC, in Fort Worth, Texas, since May 2017. He is also a member of our NerdsToGo Advisory Council. He has also been self-employed as an attorney/businessman since 1991 in Fort Worth, Texas.

Robert E. Freeman – Partner, N2G Development, LLC. Mr. Freeman has been an Area Representative through N2G Development, LLC, in Ft. Worth, Texas, since May 2017. He is also a member of our NerdsToGo Advisory Council. He has been self-employed in the design and real estate industry since 1983.

Illinois

Paul Johnson – Mr. Johnson has been an Area Representative for NerdsToGo in Chicago, Illinois, since September 2017. He has also been Midwest Sale Director for Essence Communications in Chicago, Illinois, since July 2002.

Tennessee

Don Dally – Mr. Dally has been an Area Representative for NerdsToGo in Tennessee since December 2019. Mr. Dally also served as the Chief Information Officer for Proctor U serving the Birmingham, Alabama, area since December 2019. Mr. Dally served as Chief Technology Officer for PerfectServe, Inc. in Knoxville, Tennessee, from October 2001 until November 2018.

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

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

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF GTN OFFERS YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR-DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO US OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

RHODE ISLAND REQUIRES THAT WE GIVE THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR 10 BUSINESS DAYS BEFORE SIGNING A BINDING AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION THAT RELATES TO THE FRANCHISE RELATIONSHIP. MICHIGAN REQUIRES THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE SIGNING A BINDING AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

IF GTN DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON-TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND YOUR STATE AGENCY IDENTIFIED ON EXHIBIT "A".

THE NAME, PRINCIPAL BUSINESS ADDRESS AND TELEPHONE NUMBER OF EACH FRANCHISE SELLER OFFERING THE FRANCHISE: MARK JAMESON AND _____, GTN Capital Group, LLC,

2542 HIGHLANDER WAY, CARROLLTON, TEXAS 75006, (214) 346-5600.

Issuance Date: December 3, 2020

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

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Rider to Lease Agreement
- D. Form of General Release
- E. Financial Statements
- F. Operating Manual Table of Contents
- G. Current and Former Franchisees
- H. State Addenda to Disclosure Document
- I. State Addenda to Franchise Agreement
- J. Information about Area Representatives

Signature: _____

Print Name: _____

Date Received: _____

Keep This Copy for Your Records

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF GTN OFFERS YOU A FRANCHISE, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR-DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO US OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

RHODE ISLAND REQUIRES THAT WE GIVE THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR 10 BUSINESS DAYS BEFORE SIGNING A BINDING AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION THAT RELATES TO THE FRANCHISE RELATIONSHIP. MICHIGAN REQUIRES THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE SIGNING A BINDING AGREEMENT OR THE PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

IF GTN DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON-TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND YOUR STATE AGENCY IDENTIFIED ON EXHIBIT "A".

THE NAME, PRINCIPAL BUSINESS ADDRESS AND TELEPHONE NUMBER OF EACH FRANCHISE SELLER OFFERING THE FRANCHISE: MARK JAMESON AND _____, GTN Capital Group, LLC, INC., 2542 HIGHLANDER WAY, CARROLLTON, TEXAS 75006, (214) 346-5600.

Issuance Date: December 3, 2020

I received a disclosure document that included the following Exhibits:

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Rider to Lease Agreement
- D. Form of General Release
- E. Financial Statements
- F. Manual Table of Contents
- G. Current and Former Franchisees
- H. State Addenda to Disclosure Document
- I. State Addenda to Franchise Agreement
- J. Information about Area Representatives

Signature: _____

Print Name: _____

Date Received: _____

Return this copy to us.

GTN Capital Group LLC, Mark Jameson, Chief Support and Development Officer, 2542 Highlander Way, Carrollton, TX 75006